

the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10607. Also, petition of the members of the Beulah Rest Home, Oakland, Calif., protesting against the passage of the Black beer bill; to the Committee on Ways and Means.

10608. Also, petition of the Board of Supervisors of Contra Costa County, Calif., opposing all legislation having for its purpose the abolition of essential care and relief of war veterans; to the Committee on World War Veterans' Legislation.

10609. By Mr. CHINDBLOM: Petition of H. J. Hagerty and 50 other citizens of Lake County, Ill., urging the passage of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10610. By Mr. GARBER: Petition of George W. Reust, of Guymon, Okla., urging enactment of legislation to refinance farm-mortgage indebtedness; to the Committee on Banking and Currency.

10611. Also, petition of the National Conference of Organizations Supporting the Eighteenth Amendment, urging support of the prohibition laws and opposition to modification or repeal; to the Committee on the Judiciary.

10612. Also, petition urging support of railroad employees' pension bills, S. 4646 and H. R. 9891; to the Committee on Labor.

10613. By Mr. GIBSON: Petition of Rev. J. S. Garvin and 67 citizens of the town of Ryegate, Vt., urging an arms embargo; to the Committee on Military Affairs.

10614. By Mr. GRANFIELD: Petition of Walter J. La Francis and other citizens of Springfield, Mass., relating to unemployment, mass production, and the revaluation of the gold ounce; to the Committee on Ways and Means.

10615. Also, memorial of the House of Representatives of the General Court of Massachusetts, opposing the proposed closing in whole or in part of the Boston Navy Yard at Charlestown, Mass.; to the Committee on Naval Affairs.

10616. Also, memorial of the City Council of Northampton, Mass., relating to the enactment of House Joint Resolution No. 191 and Senate Joint Resolution No. 105 commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen in 1783 of Bvt. Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Offices and Post Roads.

10617. By Mr. HAINES: Letter signed by Alfred H. Billet, general secretary United Wall Paper Crafts of North America, 108 South Richland Avenue, York, Pa., transmitting a proposed amendment to the Constitution of the United States concerning hours of labor, etc.; to the Committee on the Judiciary.

10618. By Mr. HOOPER: Petition of residents of Battle Creek, Mich., protesting against the passage of House bill 13742 or any other measure that would override the eighteenth amendment, but instead employ means to make national prohibition more effective; to the Committee on the Judiciary.

10619. By Mr. KVALE: Petition of 1,231 citizens of Brown County, Minn., including business and professional men, bankers, farmers, and laborers, presented by Oliver C. Amundson, chairman of a volunteer committee, urging enactment of the Frazier bill, or any other measure containing similar features for extension of agricultural credit; to the Committee on Banking and Currency.

10620. Also, petition of Bricklayers, Masons, and Plasterers International Union of America, St. Paul, urging enactment of Senate bill 5125; to the Committee on Banking and Currency.

10621. Also, petition of C. A. Zwiener, department adjutant for the American Legion, Department of Minnesota, protesting against the enactment of the Bratton amendment to Treasury and Post Office bills; to the Committee on Appropriations.

10622. Also, petition of Local No. 14, National Federation of Federal Employees, Fort Snelling, Minn., protesting against the enactment of the Bratton amendment; to the Committee on Appropriations.

10623. Also, petition of P. T. A. of Litchfield, Minn., urging enactment of Senate bill 3770; to the Committee on Interstate and Foreign Commerce.

10624. Also, petition of Federal Employees Union, No. 43, St. Paul, Minn., protesting against enactment of the Bratton amendment; to the Committee on Appropriations.

10625. By Mr. LAMBERTSON: Resolution of the Lawrence Clearing House, Lawrence, Kans., opposing the passage of the Stevenson bill, H. R. 13855; to the Committee on Banking and Currency.

10626. By Mr. LONERGAN: Petition of the Common Council of New Britain, Conn.; to the Committee on the Post Office and Post Roads.

10627. Also, petition of the Common Council of Stamford, Conn., memorializing Congress to issue special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

10628. By Mr. MARTIN of Oregon: Resolution of the Colonial Council for St. Thomas and St. John, Virgin Islands of the United States, urging that the municipality be placed under the Navy Department; to the Committee on Naval Affairs.

10629. By Mr. SNELL: Petition by residents of Essex County, relative to the eighteenth amendment and House bill 13742; to the Committee on Ways and Means.

10630. By Mr. SUTPHIN: Petition praying for the enactment of House Joint Resolution 191 and Senate Joint Resolution 105 commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment as brevet brigadier general of Thaddeus Kosciuszko; to the Committee on the Judiciary.

10631. By Mr. WATSON: Petition with 37 signatures from Bucks County, Pa., urging the elimination of aliens in making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

THURSDAY, FEBRUARY 23, 1933

(Legislative day of Tuesday, February 21, 1933)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Russell
Austin	Couzens	Kean	Schuyler
Bailey	Cutting	Kendrick	Sheppard
Bankhead	Dale	King	Shipstead
Barbour	Davis	La Follette	Shortridge
Barkley	Dickinson	Logan	Smith
Bingham	Dill	Long	Smoot
Black	Fess	McGill	Steiwer
Blaine	Fletcher	McKellar	Stephens
Borah	Frazier	McNary	Swanson
Bratton	George	Moses	Thomas, Idaho
Brookhart	Glass	Neely	Thomas, Okla.
Broussard	Glenn	Norbeck	Townsend
Bulkley	Goldsborough	Norris	Trammell
Bulow	Gore	Nye	Tydings
Byrnes	Grammer	Oddie	Vandenberg
Capper	Hale	Patterson	Wagner
Caraway	Harrison	Pittman	Walcott
Carey	Hastings	Reed	Walsh, Mass.
Clark	Hatfield	Reynolds	Watson
Coolidge	Hayden	Robinson, Ark.	White
Copeland	Hebert	Robinson, Ind.	

Mr. SHEPPARD. I desire to announce that the junior Senator from Montana [Mr. WHEELER] and the junior Senator from Texas [Mr. CONNALLY] are detained from the Senate by illness.

I also wish to announce that the senior Senator from Montana [Mr. WALSH] and the junior Senator from Illinois [Mr. LEWIS] are necessarily out of the city.

Mr. NORRIS. I wish to announce that my colleague [Mr. HOWELL] is detained from the Senate by reason of illness.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Tuesday and Wednesday, February 21 and 22, 1933.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, the pending item being the appropriations for the Federal Trade Commission.

"THE SPIDER WEB OF WALL STREET"

[Mr. NORRIS continued and concluded the speech begun by him yesterday, which follows entire:]

Wednesday, February 22, 1933

Mr. NORRIS. Mr. President, every year, I believe, since the creation of the Federal Trade Commission, or at least every year for quite a number of years back, we have had a test in the Senate on the question of making appropriations for the activities of that commission. At the very beginning the establishment of the Federal Trade Commission was fought viciously by the great combinations, corporations, and monopolies of the country. In my judgment, we have never had any commission, committee, or organization of a governmental character that, for the money expended, has done as much good for the people of the United States as has the Federal Trade Commission.

It is true, I believe, that there are men connected with the Federal Trade Commission, one of whom, indeed, is a member of the Federal Trade Commission, who do not have any sympathy with the very objects for which that commission was created. That accounts, perhaps, for the fact that nearly every year the appropriation for that body has been cut down and that as the bill providing for it comes to the Senate the Federal Trade Commission is practically wiped off the map. The Senate has been in the habit of increasing the appropriation and getting something out of its amendment in conference with which that commission has been staggering along.

A few years ago the Senate adopted a resolution imposing upon the Federal Trade Commission a task that was greater than any that had ever been previously placed upon it. I refer to the investigation of the so-called Power Trust. It has been proceeding to perform that task for several years past. I repeat, Mr. President, that I believe no money has ever been appropriated by Congress for which more value has come to the people of the country than that which has been appropriated for the activities of the Federal Trade Commission. The resolution to which I refer placed upon the Federal Trade Commission the burden of making an investigation of the public-utility question. Developments coming from that investigation have shown that perhaps never in the history of the country—indeed, never in the history of civilization—have combinations and corporations been more active in trying to build up a trust, a monopoly, for a particular business than have the power interests of the United States.

The trade organization of the power industry is known as the National Electric Light Association. The commission's investigation showed that the tentacles of this trust had reached out into every community in the United States. Nothing was too small for them to go into or to look after; nothing was too great for them to aspire to control. They looked after the nominations and elections of men who were candidates for President of the United States. They went down the line and were active in the election of members of school boards in some of the small villages and towns of the United States. They had their secret agents scattered all over the United States under various disguises. They had as agents women who addressed meetings of women's clubs; they had their agents entering secret societies. Professors in colleges were employed under the

secret pay of this trust. Newspapers were bought; millions of dollars were invested for that purpose; newspapers were controlled by advertising matter. Churches and pulpits were invaded, and an army of men and women in the secret pay of this great trust were trying to control the sentiment of the people of the United States. They invaded the public schools—secretly always—for the purpose of poisoning the minds of the children in those schools, trying to influence their youthful minds and shape them along lines that would lead them to acquire the viewpoint of the Power Trust.

The investigation of the Federal Trade Commission into the activities of this trust has been underway for two or three years, and the National Electric Light Association has been put in disrepute before honest people everywhere because of the activities in which the investigation showed they had engaged.

Mr. President, recently the National Electric Light Association has dissolved; the members of that old organization have reformed and have created a new organization called the Edison Electric Institute. It has been named after a great man whose name is venerated wherever there is a progressive people anywhere in the world. The members of the new organization are going to take advantage of that name. I have here an Associated Press dispatch sent from New York on February 14, which says, in part:

The National Electric Light Association will be formally disbanded to-morrow, just three years short of rounding out a half century of existence.

They had been in existence and doing the kind of business to which I have referred for 47 years before they were discovered. The article goes on to say:

In the later years of its existence the association of "NELA," as it became known in the industry, came under scorching fire from several sources for its propaganda and lobbying activities, and several prominent public-utility executives have expressed the hope that the industry will gain in favor through the demise of "NELA."

Mr. President, if they have really reformed, if the great National Electric Light Association, exposed by the investigation conducted by the Federal Trade Commission have really gotten religion, if they have really been converted, no one will be more delighted than I.

This new organization in its constitution gives its executive committee almost absolute power over the control of its membership. It can call upon any member for any information as to its method of keeping books or any other thing connected with its organization, and the information must be supplied or the member is liable to expulsion. Therefore it becomes important to consider who are the trustees and officers of this great power organization.

At the time of the adoption of its constitution 22 trustees were selected to handle the affairs of the institute, and they proceeded to elect officers. The first peculiar thing we find about it is that the president of the old National Electric Light Association becomes the president of the new christianized association.

The next important thing we notice is that the vice president of the old association that had been caught and its methods of dealing for the last 47 years with the people of the United States had been exposed—the vice president of that old association becomes vice president of the new purified association.

The next thing we notice is that the executive secretary of the old association, who was very active in its management and under whose administration these sins, wrongs, and crimes against humanity and against the people of the country had been exposed, becomes the new executive secretary. The treasurer of the old organization, the man who handled the funds of the old organization, was likewise retained. That organization handled pretty large funds, for, as Senators will remember, one of the things that the investigation by the Federal Trade Commission disclosed was that they set aside \$400,000 just to handle the United States Senate at one session. I think in the depression probably they would not need so much to handle the same number of men, but they thought we were pretty high-

priced fellows, although there were only three things in which they were interested. First they wanted to defeat the Boulder Dam bill which was then pending; second, they wanted to defeat Muscle Shoals legislation which was then pending; and, third, they wanted to defeat the resolution which provided that they should be investigated. The treasurer of the old organization becomes the treasurer of the purified organization; so that they start out with the same officers; they start out without any change in officers; they are, from top to bottom, just the same as they were under the old organization that had been caught red-handed.

Mr. President, I think it would be interesting if we took up these trustees now. Let us see who they are, and what their connections are, and whether they were connected with any of these organizations that have been investigated and exposed.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. BLACK. Did they change the residence of the association when they changed its name?

Mr. NORRIS. No.

Mr. BLACK. It still lives in the same State, the same locality?

Mr. NORRIS. Yes.

Senators will recollect that through interlocking directorships between banks dominated by Morgan and through the control of the Morgan-founded, Morgan-operated United Corporation, this banking house, within the past few years, has come into a position of absolute dominance in the power business. Take its United Corporation: It was founded early in 1929. United Corporation has substantial control of Columbia Gas & Electric Co., a far-flung holding corporation; the Niagara Hudson Power Corporation, which dominates the up-State utility picture in New York; and the Commonwealth & Southern Corporation, another huge power group. I shall have more to say in regard to that in the future.

I had assistants working on a chart that charted the United Corporation, which I have just mentioned. Some of the statistics and some of the information we were not able to get. I expected to have it, so that I could put it up beside these other charts on the wall and show to the Senate just how this United Corporation, controlled by Morgan in the public-utility field, spreads all over the United States; but we were unable to assemble all the information, and I shall have to wait until some future date for the information that that would convey.

United Corporation also is buying into Electric Bond & Share, which in the past has been headed by Sidney Z. Mitchell, who, with Insull, dominated the old-time National Electric Light Association.

At the present rate of progress, Morgan will soon control the industry. That famous banking house is already well on the road in that direction. The record of the functioning of these various Morgan-controlled corporations in this new Edison Electric Institute will bear watching.

Is it because Morgan wishes to complete the picture of his control of the power industry that his power executives dominate 18 of the 22 trustees of this new organization?

An examination of the connections of the trustees of the Edison Electric Institute and the showing as to the interlocking directorships between bankers and the companies and the interlocking directorates between banking houses which also have interlocking directorates with the companies headed by the trustees of the Edison Electric Institute shows that of the 22 trustees of the new organization, 18 are so closely linked to the Morgan-Carlisle-United Corporation interests that it would be impossible to have the slightest independence of action.

Now let us consider some of these trustees. Who is Mr. Carlisle, for instance?

Carlisle is an upstate New York banker who launched into the power industry several years ago. His greatest rise, however, has been since he, acting for Morgan, moved into control of the upstate Niagara Hudson Power Co. and

the Consolidated Gas Co., which controls the electric and gas picture in the city of New York, and is one of the real powers in the Morgan-owned United Corporation. United Corporation in December, 1931, controlled about 22 per cent of the voting strength of Niagara Hudson. Carlisle and other Morgan operators have enough stock to make this working control absolute.

Mr. Carlisle's investment company, known as F. L. Carlisle & Co., had about a 33 per cent control of the New England Power Association, a public-utility group, when that organization was founded, and when it wrote up its assets by \$17,000,000, according to the records of the Federal Trade Commission's investigation of utilities.

That is found on page 362, volumes 31 and 32. So Mr. Carlisle, one of the trustees of this holy institute, was the head of an institution that the Federal Trade Commission shows put \$17,000,000 of water into the capitalization.

It is interesting to note that since the organization of the Niagara-Hudson Power Co., J. P. Morgan & Co. are always the head of the banking syndicate that handles the public offerings of the securities of the Niagara Power Co.'s subsidiary corporations.

Here are some of the samples:

In 1931 one of the subsidiaries, the Buffalo General Electric Co., floated general and refunding mortgage 4½ per cent gold bonds due February 1, 1981, to the amount of \$20,000,000. It is interesting to note who handled the bonds. Here are the bankers who did it:

J. P. Morgan & Co.; Bonbright & Co.; First National Bank; National City Co.; Guaranty Co. of New York; Bankers Trust Co. of New York; Chase Securities Corporation; Lee, Higginson & Co.; Bancamerica-Blair Corporation; and Schoellkopf, Hutton & Pomeroy, Buffalo, N. Y.

Note these names. I am going to repeat them a good many times before I get through with these charts that are on the wall. You will become familiar with them. These are the banking institutions that handled the bonds of this Morgan-controlled subsidiary of the new Edison Electric Institute.

In 1932 the Niagara Falls Power Co., another one of the subsidiaries, floated first and consolidated mortgage 5 per cent gold bonds, due in 1959, to the amount of \$2,000,000. Who handled that? J. P. Morgan & Co.; Bonbright & Co.; Schoellkopf, Hutton & Pomeroy.

Then in the same year, 1932, the Utica Gas & Electric Co., another one of the subsidiaries, floated \$2,000,000 in 20-year general mortgage 5 per cent gold bonds. Who handled them? J. P. Morgan & Co.; Bonbright & Co.; Schoellkopf, Hutton & Pomeroy.

So that gives the Senate an idea of Mr. Carlisle's connections. Incidentally, do not forget that we always find him in the Morgan group.

George H. Howard is another trustee of this converted, Christianized Edison Electric Institute. Who is he? Why, he is president of the United Corporation. That, remember, is the corporation I have been talking about. That is the corporation that controls the electric-light companies of the subsidiaries in the public-utility business from New York to San Francisco and from the Canadian line to the Gulf. That is the corporation as to which I wanted to have a chart here, showing how they were connected, but was not able to get it ready.

Mr. Howard has associated with him as directors in various enterprises Harold Stanley, a Morgan partner; Landon K. Thorne, another Morgan associate; George Whitney, a Morgan partner; and Alfred L. Loomis, a co-director in the Morgan-controlled Bankers Trust Co.

Now let us take up Mr. B. C. Cobb, another one of the trustees. He is another of the Morgan triumvirate. He has been chairman of the finance committee of the National Electric Light Association. That is the one they got ashamed of and disbanded, you know. He was the head of the finance committee; so they not only have the same officers but the same fellows are going to run their finances. He is chairman of Commonwealth & Southern, a company that holds a large number of electric-light corporations, in

which the Morgan-owned United Corporation has an important, if not a controlling, interest.

Mr. Cobb was serving on the boards of the companies he operates.

Mr. Thorne, the president of Bonbright Co., a Morgan associate, who, in addition to being a director in Commonwealth & Southern, is also director of Niagara Hudson, Public Service Corporation of New Jersey, the United Gas Improvement Co., Mohawk Hudson Power Co., American Superpower Corporation, the United Utilities, and the Morgan bank, the Bankers Trust Co.

Another associate of Mr. Cobb as a director of the Commonwealth & Southern Corporation is Alfred L. Loomis, who also is a director of United Corporation, Public Service Corporation of New Jersey, American Superpower, United Utilities, and the Bankers Trust Co. Back to Morgan again!

Another associate of Cobb is the far-famed Sidney Z. Mitchell. He is head of the Electric Bond & Share group, in which Morgan, through his United Corporation, seems to be acquiring a substantial interest. Mr. Mitchell's directorships are interlocking with other Morgan-controlled corporations.

Then here is Mr. Frank D. Comerford. He is another one of the trustees. He happens to be president of the New England Power Association. He is a director of International Paper & Power and Edison Electric Illuminating Co., of Boston.

Mr. Comerford will be recalled for his testimony before the Federal Trade Commission concerning the practice of "writing up" the value of properties. In the course of his testimony it was brought out that when the New England Power Association was formed and took over the assets of the New England Power Co. it wrote up these assets by more than \$17,000,000. (Federal Trade Commission Reports, vols. 31 and 32, p. 360.) Mr. Comerford claimed that these write-ups did not affect the consumer in any way, since they were not used as a basis for rate making. That is always the claim made. Nevertheless, when any public-utility corporation is asking for new rates it always cites its capitalization, and how much it ought to be allowed to make, and that goes into figuring the value of its property, upon which, under the law, the rates must be graded. But lay that question aside. Lay the rate question aside for a moment. Forget it. This man, who is one of the trustees of this new, sanctified organization, claims in his testimony that it did not make any difference how much water they put into the capitalization, because when they figured the rate they figured it on the value of the property. But he said nothing about the poor investor; he said nothing about the poor man or woman putting savings into these corporations made up of water. By the millions they were putting water in, and the Insull fiasco is an illustration of what happened. So, if Senators will forget the man who pays the rate, and think of the men and women who are induced to part with their hard-earned cash to buy the bonds and the shares of these companies which are overinflated and oversupplied with water, they will get another viewpoint of it.

His testimony will be found in the Federal Trade Commission report, volumes 30 and 31, page 362.

Then I come to Alex Dow, another one of these trustees. He is of the Detroit Edison Co., and has associated with him as director of that company Mr. Bulkley, of Spencer Trask & Co., of New York, who is also a director of the North American Co., the Cleveland Electric Illuminating Co., the Milwaukee Electric Railway & Light Co., the Milwaukee Electric Light, Heat & Traction Co., and the Bankers Trust Co., of New York, getting back to Morgan.

He has also associated with him as a director in the Detroit Edison Co. Mr. B. A. Tompkins, vice president of the Bankers Trust Co., a Morgan bank.

Mr. William Chamberlain is another member of the board of trustees. He is president of the United Light & Power Corporation. He is a director of the International Paper Co., which is a subsidiary of the International Paper & Power Co. Mr. Chamberlain is tied in with the following Morgan associates: Mr. George Roberts and Mr. Marshall Field.

Roberts is director of the Niagara-Hudson Power Co., which is controlled by the Morgan-owned United Corporation, and Morgan's chief power dictator, Floyd L. Carlisle. Mr. Field is a director of the Columbia Gas & Electric, owned by Morgan, president of Field, Glore & Co., director of two of the Morgan New York City banks, the Guaranty Trust Co., and the Bank of Manhattan Trust Co.

Mr. REYNOLDS. Mr. President, will the Senator yield? Mr. NORRIS. I yield.

Mr. REYNOLDS. I heard the Senator a moment ago mention the name of Mr. Mitchell.

Mr. NORRIS. Yes.

Mr. REYNOLDS. He is one of the directors of that splendid institute the Senator has described so vividly. I should like to know if he is related to the Mr. Mitchell who is president of the National City Co. I make that inquiry because it is said that he testified before our Committee on Banking and Currency that in one single year that man himself earned in salaries and in bonuses the enormous, immense sum of \$2,200,000, and in the next breath admitted that those innocent people who had trusted themselves to the salesmen for the big companies the Senator has so vividly described lost millions upon millions of dollars.

Mr. NORRIS. I thank the Senator for his interruption. The Mitchell about whom I am speaking is Sidney Z. Mitchell. I can not say whether he is the same man who testified before the Senator's committee or not. There are two Mitchells. I think this was a different Mitchell.

I now come to Mr. Tidd, one of these trustees. He is president of the American Gas & Electric Co. He has associated with him in the American Gas & Electric Co. as a director Mr. Sidney Z. Mitchell, whose connections I have already noted in connection with B. C. Cobb. Also associated with Mr. Tidd as director of the American Gas & Electric Co. is Mr. C. E. Groesbeck, who is also trustee of the institute, president of the Electric Bond & Share, and a director of the Bankers Trust Co., a Morgan-controlled bank.

Mr. John Z. Zimmerman is another trustee. He is president of the United Gas Improvement, of Philadelphia. He has associated with him as director Mr. Harold Stanley, a partner of J. P. Morgan & Co., and already referred to in connection with Messrs. Chamberlain and Carlisle.

Mr. Zimmerman has also associated with him Mr. Edward Hopkinson, who is a director in the Public Service Corporation of New Jersey, also of the United Gas Improvement. He is also a partner in J. P. Morgan & Co., and in Drexel & Co., of Philadelphia.

Associated with him also is Mr. Landon K. Thorne, already referred to in connection with Cobb and Carlisle. He is another director of the United Gas Co.

Then there is Mr. Gossler, another one of these trustees. He is president of the Columbia Gas & Electric Co., and has associated with him as a director in the Columbia Gas & Electric Co. Mr. Harold Stanley, partner in J. P. Morgan.

He has also associated with him Mr. Marshall Field, referred to above in connection with Mr. Chamberlain.

Associated with him also is William C. Potter, who is also a director of the Electric Bond & Share Co., and president, and director of the Guaranty Trust Co.

Associated also with him is Joseph Harriman, president of the Harriman National Bank, of New York City.

Then there is Mr. C. E. Groesbeck, another one of the trustees, who is president of the Electric Bond & Share and is a director of the Bankers Trust Co. and of the American Gas & Electric Co. He has associated with him as directors Mr. Sidney Z. Mitchell; Mr. William C. Potter, president of the American Trust Co.; Mr. L. E. Pierson, chairman of the Irving Trust Co.; Mr. Frederick Strauss, of J. W. Seligman & Co.; Mr. E. G. Merrill, chairman Bank of New York & Trust Co.; and S. S. Colt, president of the Bankers Trust Co.

Another one of these trustees is Mr. Baylies, who is president of the Edison Electric Illuminating Co., of Boston. He has associated with him as director Frank D. Comerford, who is a trustee of the institute. He is another one of the trustees. He is also president of the New England Power

Association, a subsidiary of the International Paper & Power Co., of which Mr. Comerford is also a director.

Another one of the trustees is Samuel Ferguson, who is president of the Hartford Electric Light Co., of Hartford, Conn., and who is a director of the New England Power Association.

Then there comes Mr. Harry J. Bauer, president of the board of the Southern California Edison. As far as I know, he is not connected with any Morgan institution.

George B. Cortelyou is president of this great institute, as well as one of the trustees. Senators will remember him, certainly, in connection with the activities of the National Electric Light Association, in trying to control the action of the United States Senate. Senators will remember that this great association employed two ex-Senators to appear before the committee to which had been referred the resolution of investigation. The evidence showed the fees they were paid, and, as far as any evidence I have ever seen is concerned, that was the only service they rendered.

Mr. COSTIGAN. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I yield.

Mr. COSTIGAN. Was any accounting ever made of the expenditure of the \$400,000 referred to by the Senator from Nebraska?

Mr. NORRIS. Yes. The Federal Trade Commission, in its investigation, showed just how the money was spent. They itemized it somewhat in their report, and the fees paid to the attorneys were a part of the report. That is all in the record. I think I had it put in the CONGRESSIONAL RECORD at another time, but I do not remember the details of it now.

Mr. Cortelyou is president and also a member of the board of trustees of this Edison Electric Institute. He was also president of the National Electric Light Association, which has just gone out of business, and which was displaced by the Edison Electric Institute.

Associated with Mr. Cortelyou as a director of the Consolidated Gas Co. is Mr. Charles E. Mitchell. I will say to the Senator from North Carolina that I think that is the Mitchell who testified before his committee yesterday. He is associated with Mr. Cortelyou as a director of the Consolidated Gas Co. Mr. Mitchell is chairman and director of the National City Bank of New York, and he is also director of the American Foreign Power Co.

Associated with Mr. Cortelyou also is Mr. George Whitney, one of Mr. Morgan's partners. He has also been referred to in connection with Mr. Howard and with Mr. Cortelyou as a director of the Consolidated Gas Co. of New York.

Mr. Muhlfeld is another one of these trustees. He is a director of Stone & Webster, and has associated with him as a director Mr. Charles A. Stone, who is also a director of the Chase Securities & North American Co.

Senators, particularly from the West, will recognize the firm of Stone & Webster. They go clear to the Pacific coast from the Middle West, and are interested in the generation and distribution of electricity in many places. They operate in Washington; they operate in Los Angeles; they operate up and down the coast and a great distance east of the coast.

Mr. Edwin Gruhl is another trustee. He is president of the North American Co., and associated with him is Mr. Bulkley, noted above in connection with Mr. Dow, and also Mr. Charles A. Stone, chairman of Stone & Webster, who is also director of the Chase Securities Co., and is mentioned above in connection with Mr. George O. Muhlfeld.

Mr. Hockenbeamer is another trustee. He is president of the Pacific Gas & Electric Co., the North American Co., whose chief financial influence is the Morgan-controlled Bankers' Trust Co., and is the most important stockholder in Pacific Gas & Electric Co.

Mr. McCarter is another trustee. He is president of the Public Service Electric & Gas Co., of Newark. Associated with Mr. McCarter as director is Mr. Landon K. Thorne,

noted above, and Mr. Alfred L. Loomis, noted above, and Mr. Hopkinson, also noted in connection with Mr. John E. Zimmerman.

Mr. John J. O'Brien is another trustee. He is president of Byllesby & Co., and director of the Pacific Gas & Electric Co.

Mr. H. Hobart Porter is president of the American Waterworks Electric Co.

Mr. Herbert A. Wagner is president of the Consolidated Gas, Electric Light and Power Co., of Baltimore.

Mr. James Simpson is the chairman of the board of the Commonwealth Edison Co.

There is no record that Mr. Porter, Mr. Wagner or Mr. Simpson are in any way controlled by the Morgan-Carlisle-Cobb-Howard group. The same is apparently true of Mr. Harry J. Bauer, chairman of the board of the Southern California Edison Co., another director of the institute.

A careful review of the record will show that all of the gentlemen, except the four I just mentioned, are tied through interlocking directorships of banks and utility corporations as being associated with and either dominated or partially controlled through association with the new Morgan utility empire. So here we have this new Edison Electric Institute controlled as was the National Electric Light Association in its final year, by this Morgan-Carlisle group. Are they merely pulling the wool over our eyes by their new purification efforts and at the same time getting into a position to still further dominate the industry in which they now have practical working control?

Mr. President, I believe that an examination will show that the old National Electric Light Association still lives in spirit; that these men have had no change of heart. If they had, why have they not individually and personally announced that they were going to quit the holding company business, that they were going to stop the methods by which they control generation and distribution of electricity all over the United States? They themselves claim that they have 87 per cent control of all the electric-light facilities in the United States. I believe it, and I think I shall continue to believe it until we have some concession from these men, some of whom were caught red-handed pouring water into the capitalization, and others of whom were interested in the propaganda spread all over the country to deceive the American people. It is my opinion that the National Electric Light Association have only changed their shirt and the shirt they are putting on now is just as dirty as the one they have taken off.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. Certainly.

Mr. LONG. I have been out of the Chamber momentarily. What is the change to which the Senator refers?

Mr. NORRIS. The National Electric Light Association has changed to the Edison Electric Institute. They have given a new name to an old institution.

Mr. President, I have referred several times to the Commonwealth & Southern Corporation. Incidentally the Commonwealth & Southern, one of these holding companies, is one of the corporations which the Federal Trade Commission has not yet investigated. We have appropriated money to-day that will enable them to carry their investigation into this group. I want to outline briefly just what the Commonwealth & Southern Corporation is.

The Commonwealth & Southern Corporation is one of the utility combines upon which the Federal Trade Commission has not started work as yet, and most certainly will not before June 30. It is one of the 22 companies listed by the commission for investigation in the next fiscal year and will be investigated at that time, I hope.

Commonwealth & Southern controls, through direct ownership of practically 100 per cent of common stock, the following companies, among others: Alabama Power Co., Tennessee Electric Power Co., Gulf Power Co., Mississippi Power Co., South Carolina Power Co., Georgia Power Co. It controls others similarly in Pennsylvania, Illinois, Indiana, and Ohio.

The southern companies listed came into Commonwealth & Southern control through the Southeastern Power & Light Co., which formerly headed up this group of companies in the Southeast. In May, 1929, Commonwealth & Southern Corporation was formed and acquired more than 90 per cent of the common stock of this Southeastern Power & Light Co. Subsequently, Southeastern Power & Light Co. was merged into Commonwealth & Southern, along with three other holding companies much like Southeastern, but operating in other regions.

Just imagine what that means. If we take the language of the last two or three sentences to which I have given utterance, and analyze it, we will find out how the ordinary person may be deceived, unless he selects an expert to help him, and if he be an expert he will require considerable time to trace out the holdings, the swallowings, the buying out and selling out of these various corporations one to the other, one holding company getting control of another holding company, and so on down the line.

The other three holding companies which I have just mentioned as taken over were the Commonwealth Power Corporation, the Penn-Ohio Edison Co., and the Allied Power & Light Corporation.

The Commonwealth & Southern system, in the South, serves Pensacola, Fla.; Chattanooga and Nashville, Tenn.; Anniston, Birmingham, Montgomery, Gadsden, and Mobile, Ala.; Charleston and Aiken, S. C.; Atlanta, Augusta, Columbus, Macon, and Rome, Ga.; and Biloxi, Hattiesburg, and Meridian, Miss.

The vast extent of the system in the Middle West, as well as in the South, is tersely expressed in Moody's Manual of Public Utilities for 1932, which says:

The operating companies serve over 2,600 cities, towns, and communities, in a territory having a population estimated to be in excess of 9,000,000, located in 11 industrial and agricultural States—Michigan, Ohio, Indiana, Illinois, Tennessee, Pennsylvania, South Carolina, Georgia, Alabama, Mississippi, and Florida, furnishing electricity to 1,046,971 customers' meters and gas to 218,002 customers' meters.

The system had consolidated assets at the end of 1931 of \$1,155,760,000. Its consolidated gross earnings in 1931 were \$130,000,000, and in 1932 were \$114,000,000. Its net income, after expenses, taxes, retirement reserve, and fixed charges, but before preferred dividends, was, in 1931, \$22,369,000; and in 1932 was \$13,243,000.

Commonwealth & Southern Corporation had outstanding at the end of 1932, 33,673,328 shares of common stock without par value. As of the end of 1931 there were nearly 160,000 common-stock holders and about 181,000 stockholders of all classes.

All of this information is contained in Moody's Manual and Moody's Cumulative Manual Service.

From Holding Company Control of Licensees of the Federal Power Commission, a report of a survey made under the direction of the Power Commission last year, it is clear that the Commonwealth & Southern Corporation, huge as it is, is only one of the units in the great Morgan power combine that has been put together in the last 10 years. The Power Commission's report shows this, without comment, through the record of stockholdings. According to this report, the Commonwealth & Southern Corporation had outstanding in June, 1931, 34,011,010 shares of common stock, or several hundred thousand more than remained outstanding at the end of 1932. Of the thirty-four million-odd shares outstanding in the middle of 1931, the American Super-Power Corporation held 4,571,663, or 13.4 per cent; United Corporation held 1,793,270, or 5.3 per cent; and United Gas Improvement Co. held 975,446, or 2.9 per cent. The holdings of these three made a total of 7,345,379, or 21.6 per cent.

The foregoing figures are contained in the "holding company control" report on page 8. The United Corporation is the giant investment trust, or investment company, of the Morgan interests in the utility field. The United Gas Improvement Co. has 26.1 per cent of its common stock held by the United Corporation. The American Super Power Corporation is closely related to these others. Moreover,

besides the 21.6 per cent of Commonwealth & Southern common stock held by American Super Power, United Corporation, and United Gas Improvement, an additional 6 per cent of Commonwealth & Southern common stock is held by the Electric Bond & Share Co. There are also certain stock interrelationships between Electric Bond & Share and the other corporations named.

Since the Power Commission's report was prepared there has been some building up of holdings in Commonwealth & Southern, by the American Super Power Corporation at least. Moody's Manual Service lists the holdings of the American Super Power Corporation in Commonwealth & Southern Corporation, as of December 31, 1932, as 5,000,000 shares of common stock and 2,721,447 option warrants.

[At this point Mr. NORRIS yielded the floor for the day.]

Thursday, February 23, 1933

Mr. NORRIS. Mr. President, when the Senate took a recess last night I had about reached the point where I was going to give some illustrations of corporate control. The particular subject about which I was talking was the investigation of the Power Trust by the Federal Trade Commission. But every student of the subject will learn before he investigates it very far that it is only one of the incidents of corporate control that needs investigation. The Federal Trade Commission has stated that on its own motion it intended to take up an investigation of corporations generally and their general control of the business of the country.

Mr. BORAH. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. Certainly.

Mr. BORAH. I want to ask the Senator if he has seen a book just published by Upton Sinclair on Wall Street, entitled "Upton Sinclair Presents William Fox"?

Mr. NORRIS. Yes; I have the book.

Mr. BORAH. I think it is one of the most remarkable stories in regard to such matters that I have ever read.

Mr. NORRIS. I have not yet read all of it, but the part which I have read indicates that it is a very remarkable story.

Mr. President, I wish now rather to broaden the scope of my discussion of the question by taking in corporations in general. The control of the public-utilities business, the electric-light business, is important, because it reaches into every home in the land, but it is only one of the illustrations of the control, by combinations of money, of practically all of the business of the Nation.

I desire at this point to give a list of eight leading banks in New York City, as follows:

Bank of America National Association, Bank of Manhattan Trust Co., Bankers' Trust Co., Chase National Bank, Chemical Bank & Trust Co., Guaranty Trust Co., National City Bank Co., New York Trust Co.

Almost any list of the large banks of Wall Street could be taken and the result would be about the same, but I have selected this list, because to take all the banks and gather the facts in regard to them would mean a job that would require months of toil.

The eight banks on the list I have given have 287 directorships in insurance companies; they have 301 directorships in other banks. That shows how they are interlocked with other banks. They have 521 directorships in public-utility companies. That shows how they reach out over the country and handle the public-utility business of the country. These eight banks have 585 directorships in railroad, steamship, and airplane transportation companies. So we can not eliminate or reduce an appropriation for airplanes without treading on the toes of the money power of Wall Street.

Mr. LONG. Mr. President, will the Senator from Nebraska yield to me for just a moment?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. Their corporate control of the Power Trust does not differ materially from their control of anything else, does it?

Mr. NORRIS. No; it is about the same as in the case of any other corporation.

These eight banks—and they are only a part of the great combination of wealth represented by banks in Wall Street, which are operating through interlocking directorships—have directorships in 846 manufacturing companies. So there are 846 corporations engaged in all lines of manufacturing that these banks, either directly or indirectly, control, because the man who controls or the men who control the money of the country also control the country, as the Senator from Oklahoma [Mr. THOMAS] so well said yesterday. Let a combination of men control the finances of the United States, and they control all the activities of all the people of the United States. These 8 banks have 1,201 directorships in other corporations, making a total of 3,741 directorships held by the 8 banks in various corporations.

Now I want to take a little larger list of banks. I am going to include these 8 and add enough more to include 24 banks and trust companies in New York, and, so that any student who may want to examine into the question may have a little more detail, I will give the names of these 24 banks which I use in this illustration. They are the American Exchange Securities Corporation; Anglo-South American Trust Co.; Bancamerica-Blair Corporation; Bank of America, National Association; Bank of Manhattan Trust Co.; Bank for Savings in the City of New York; Bankers' Trust Co.; Bronx County Trust Co.; Brooklyn Trust Co.; Central Hanover Bank & Trust Co.; Chase National Bank; Chemical Bank & Trust Co.; City Bank Farmers' Trust Co.; Corn Exchange Bank & Trust Co.; First National Bank, City of New York; Guaranty Trust Co. of New York; Halsey Stewart & Co.; Irving Trust Co.; Lisman Trust Co.; Manufacturers' Trust Co.; Marine Midland Trust Co.; National City Bank of New York; New York Trust Co.; Title Guaranty & Trust Co.

Mr. President, these banks have 6,250 directorships in various corporations, including other banks.

Let me call attention here to conditions existing right in the shadow of this Capitol. The Chase National Bank, as is known, owns, or at least controls, the gas company which supplies the people of Washington with gas. Between the Chase National Bank and the gas company that operates in the city of Washington there are more than a dozen holding companies. I put the list of those holding companies into the RECORD in some remarks I made here at the last session of Congress. In addition to those holding companies there are two voting trusts that intervene between the operating company and the corporation in Wall Street that controls it. There is not any reason for this maze of holding companies, Mr. President, except to deceive the people and to make difficult, in fact, to make almost impossible, the proper regulation of public utilities.

I want to show now, Mr. President, how these holdings have been increasing, how rapidly they are going forward, how rapidly the hands of these interlocking corporations are reaching out into all fields of human endeavor and controlling gradually but surely business of a corporate nature of all kinds in the United States. I propose in a very few words to show the increase of the control of the business of the country by a few banks in Wall Street.

In 1899 there were 1,762 directorships in other corporations held by 15 commercial banks of New York City. Perhaps I had better read the names of those banks. They are: Bank of America, National Association; Bank of Manhattan Trust Co.; Bank for Savings in the City of New York; Bankers Trust Co.; Central Hanover Bank & Trust Co.; Chemical Bank & Trust Co.; Chase National Bank; New York City Bank Farmers' Trust Co.; Guaranty Trust Co.; Irving Trust Co.; Manufacturers Trust Co.; Marine Midland Trust Co.; National City Bank; New York Trust Co.; and Title Guaranty & Trust Co.

These 15 corporations in 1899 held 1,762 directorships in other corporations. In 1913, 14 years later, the same group of banks held directorships in 3,426 other corporations. In 1931 the same group of banks held directorships in 5,432 other corporations.

Let me give just a brief statement in regard to the holding of directorships in other corporations by the National City Bank at the present time. The National City Bank has 7 directorships in aviation companies; it has 41 directorships in other banks; it has 104 directorships in miscellaneous corporations; it has 44 directorships in insurance companies; it has 102 directorships in manufacturing companies; it has 29 directorships in transportation companies; and it has 115 directorships in public-utility companies.

Mr. President, I have prepared and placed on the wall here [indicating] a chart in which there is given somewhat of an analysis of the Chase National Bank, using that bank as an illustration, for the same thing would be true of almost any of the large banks I have mentioned. This chart was prepared by Mr. Frey, secretary-treasurer of the metals trades department of the American Federation of Labor. It is made up, to a great extent, from testimony taken before the subcommittee of the Judiciary Committee just a few weeks ago.

The Chase National Bank, of New York City, as shown by the chart, has 82 directors. They are named on the chart. It has in transportation companies 133 directorships; it has 236 directorships in manufacturing corporations. The transportation companies are named on the chart together with the names of the men who sit as directors. The manufacturing companies are also named on the chart, together with the names of the men who sit on the board of directors of the various corporations and who represent the Chase National Bank.

The bank has 59 directorships in other banks, and here [indicating] is the list of the banks, together with the names of the directors of the Chase National Bank who sit on the board of directors of the other banks. So the Chase National Bank is interlocked with 69 other banks.

That bank has 73 directorships in public-utility corporations, and here on the chart [indicating] is a list of the public-utility corporations upon the board of directors of each of which it has one or more directors. They have 82 directorships in insurance companies; and so that the Senate may know that these are not little local insurance companies, I have here on the chart the name of every one of those 82 insurance companies.

The Chase National Bank also has 262 directorships on miscellaneous corporations, some of the most important corporations in the United States, and they are listed on the chart.

Since I can not put the chart in the RECORD, and since I should like to have in the RECORD in connection with my remarks a complete list of these various public-utility companies, banks, manufacturing corporations, insurance companies, and miscellaneous corporations, I ask unanimous consent, without reading, to have printed at this point the names of the various corporations to which I have referred and that are already outlined and named on this chart.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

CHASE NATIONAL BANK

One hundred and thirty-three directorships in transportation companies, as follows: Adams Express Co.; Albany & Susquehanna Railroad Co.; American Express Co.; American Express Co. (Inc.); American Ship & Commerce; Aviation Corporation; Bingham & Garfield Railway Co.; Brooklyn & Queens Transit; Canadian Pacific Railway Co.; Canton, Aberdeen & Nashville Railroad; Champlain Transportation Co.; Chateaugay & Lake Placid Railroad Co.; Chicago, Milwaukee & St. Paul Railroad Co.; Chicago, Rock Island & Pacific Railroad Co.; Chicago, St. Louis & New Orleans Railroad Co.; Cincinnati, Indianapolis & Western Railroad Co.; Cleveland, Cincinnati, Chicago & St. Louis Railway Co.; Colorado & Southern Railway Co.; Cooperstown & Charlotte Valley Railroad Co.; Copper River & Northwestern Railroad Co.; Delaware & Hudson Co.; Delaware & Hudson Railroad Corporation; Denver & Rio Grande Western Railroad Co.; Dubuque & Sioux City Railroad; Eastern Steamship Lines; Erie Railroad Co.; Georgia & Florida Railroad Co.; Great Western Railway Co.; Greenwich & Johnsonville Railway Co.; Hudson & Manhattan Railroad Co.; Illinois Central Railroad Co.; International Mercantile Marine Co.; Kansas City Southern Railway Co.; Kansas, Oklahoma & Gulf Railway; Lake George Steamboat Co.; Lehigh & New England Railroad Co.; Long Island Railroad Co.; Los Angeles & Salt Lake Railroad Co.; Louisiana & Arkansas Railway Co.; Manhattan Rail-

way Co.; Mechanicsville & Fort Edward Railroad Co.; Mexican-American Steamship Co.; Mexican-Central Railway Co.; Mexican Mineral Railway Co.; Mexican Northern Mining & Railway Co.; Michigan Central Railroad Co.; Midland Valley Railroad Co.; Mississippi Valley Railway Co.; Morris & Essex Railroad Co.; Munson Steamship Line; Napierville Junction Railway Co.; National Railroad Co. of Mexico; National Railways of Mexico; Nevada Northern Railway Co.; New York & Harlem Railroad Co.; New York Central Railroad Co.; New York, Chicago & St. Louis Railroad Co.; New York, New Haven & Hartford Railroad Co.; New York, Ontario & Western Railroad Co.; Norfolk Southern Railroad Co.; North Atlantic Steamship Corporation; North River Railway Co.; Northern Pacific Railway Co.; Norwood & St. Lawrence Railroad Co.; Ontario, Carbondale & Scranton Railway Co.; Oregon Short Line Railroad Co.; Oregon-Washington Railroad & Navigation Co.; Pacific Steamship Co.; Parral & Durango Railroad Co.; Philippine Railway; Port Jervis, Monticello & Summitville Railroad; Potosi & Rio Verde Railway Co.; Quebec, Montreal & Southern Railway Co.; Ray & Gilla Valley Railroad; Rensselaer & Saratoga Railroad Co.; Rio Grande Junction Railroad Co.; Roosevelt Steamship Co.; Rutland & Whitehall Railroad Co.; St. Louis-San Francisco Railway Co.; Schoharie Valley Railway Co.; Seaboard Air Line Railway Co.; Shell Pipe Line Corporation; Societe Financiers de Transports et d'Entreprises Industrielles; South American Railway Co.; Southern Express Co.; Southern Railway Co.; Texas & Pacific Railway Co.; Texas Midland Railroad Co.; Ticonderoga Railroad Co.; Transatlantic Steamship Corporation; Transcontinental Air Transport (Inc.); Troy Union Railroad Co.; Union Pacific Railroad Co.; Wabash Railway Co.; Western Pacific Railroad Co.; West Shore Railroad Co.; Wheeling & Lake Erie Railroad Co.; Wilkes-Barre Connecting Railroad Co.; Cooperstown & Susquehanna Valley Railroad Co.

Two hundred and thirty-six directorships in manufacturing corporations, as follows: Agassot Millboard Co.; Allis-Chalmers Manufacturing Co.; Amalgamated Metal Corporation; American Agricultural Chemical Co.; American Brake Shoe & Foundry Co.; American Chicle Co.; American Colortype Co.; American Locomotive Co.; American Metal Co.; American Metal Co. of New Mexico; American Smelting & Refining Co.; American Sugar Refining Co.; American Woolen Co. of Massachusetts; American Writing Paper Co.; Armour & Co.; Art Metal Construction Co.; Atlantic Fruit & Sugar Co.; Baker Castor Oil Co.; Bethlehem Steel Corporation; Borden Co.; Borden's Farm Products Co. (Inc.); Braden Copper Co.; Britannia Mining & Smelting Co.; Brooklyn Elevator & Milling Co.; Butte & Superior Mining Co.; California Cyanide Co.; Canadian International Paper Co.; Canadian Westinghouse Co.; Cape Cruz Sugar Co.; Carter White Lead Co.; Champion Paper Co.; Champion Silk Mills; Chateaugay Ore & Iron Co.; Chazy Marble Lime Co. (Inc.); Chicago Pneumatic Tool Co.; Chihuahua Mining Co.; Coca-Cola Co.; Colorado Iron & Fuel Co.; Commercial Solvents Corporation; Companio Hispano Americano de Electricidad; Consolidation Coal Co.; Continental Banking Corporation; William Cramp & Sons Ship & Engine Building; Cranston Print Works; Cream of Wheat Corporation; Crossett & Blackwell (Inc.); Cuba Distilling Co.; Cuban Cane Products Co. (Inc.); Cuban Portland Cement Corporation; Curtiss-Wright Corporation; Dardelet Threadlock Corporation; DeHaven Razor Co.; Delaware, Lackawanna & Western Coal Co.; Dominican Molasses Co.; Dunlop Tire & Rubber Co.; E. I. du Pont de Nemours & Co.; Durable Wire Rope Co. of Boston; El Potosi Mining Co.; Endicott-Johnson Corporation; Ethyl Gasoline Corporation; Federal Mining & Smelting Co.; Federated Metals Corporation; Fidelity Sugar Co.; Flintkote Co.; Fox Film Corporation; Gallup American Coal Co.; General Cable Corporation; General Foods Corporation; General Motors Radio Corporation; Georgian Manganese Co.; General Motors Corporation; General Office Equipment Corporation; Gould Coupler Co.; Granby Consolidated Mining, Smelting & Power Co.; Granite City Steel Co.; Great Northern Paper Co.; Gulf States Steel Co.; Haenichen Bros. Silk Co.; Harrisville Paper Corporation; Hudson Coal Co.; Inspiration Consolidated Copper Co.; International Cement Corporation; International Nickel Co. (Inc.); International Paper Co.; Johns-Manville Corporation; Kelsey-Hayes Wheel Corporation; Kennecott Copper Corporation; Kildun Mining Corporation; Knickerbocker Cement Co.; B. Kuppenheimer & Co.; Lakeside Ice Co.; Lima Locomotive Works (Inc.); Locomotive Feed Water Heater Co.; Long Bell Lumber Co.; Macbeth-Evans Glass Co.; Mack Trucks (Inc.); Matanzas Sugar Co.; Matieson Alkali Works (Inc.); Mesavi Iron Co.; Mexican Lead Co.; Minneapolis-Mobile Power Implements Co.; Monel-Weir (Ltd.); Montreal Locomotive Works (Ltd.); Munsingwear (Inc.); Mutual Chemical Co. of America; Nash Motors Co.; National Bearing Metals Corporation; National Carbide Corporation; National Cash Register Co.; National Enameling & Stamping Co.; National Seal Co. (Inc.); Nevada Consolidated Copper Co.; Newmont Mining Corporation; Northern Coal & Iron Co.; Ontario Refining Co. (Ltd.); Oswego Board Corporation; Oswego Rayon Corporation; Otis Elevator Co.; Pantasote Leather Co.; Patino Mines and Enterprises Consolidates (Inc.); Phillips Petroleum Co.; Pillsbury Flour Mills (Inc.); Pond Creek Pochahontas Co.; Prairie Oil & Gas Co.; Punta Alegre Sugar Co.; R. C. A. Photophone (Inc.); Radio Corporation of America; R. C. A. Radiotron Co. (Inc.); R. C. A. Victor Co. (Inc.); Remington Arms Co. (Inc.); Remington Cash Register Co.; Remington Rand (Inc.); Revere Copper & Brass (Inc.); John A. Roebling's Sons Co. of New Jersey; John A. Roebling's Sons Co. of New York; Rome Iron Mills (Inc.); Roxana Petroleum Corporation; Ruberoid Co. (Inc.); N. J.; St. Regis Paper Co.; Schuylkill Coal & Iron Co.; Scranton & Lehigh Coal Co.;

Seaboard Oil Co. of Delaware; Shanferoke Coal & Supply Corporation; Shell Eastern Petroleum Products; Shell Co. of California; Shell Oil Co.; Shell Petroleum Corporation; Shell Union Oil Corporation; Sinclair Consolidated Oil Corporation; Skenandoa Rayon Corporation; W. & J. Sloane Manufacturing Co.; Alexander Smith Carpet Co.; A. O. Smith Corporation; Socony-Vacuum Corporation; Sombereite Mining Co.; South Porto Rico Sugar Co.; Southern Mineral Products Corporation; Southern Wheel Co.; Sunstrand Corporation; Superheater Co.; Taggart-Oswego Paper & Bag Co.; Technicolor (Inc.); Toledo Glass Co.; Towne Mines (Inc.); Truax-Traer Coal Co.; Underwood-Elliott-Fisher Co.; United Biscuit Co. of America; United States Industrial Alcohol Co.; United States Industrial Chemical Co.; United States Leather Co.; United States Rubber Co.; United States Zinc Co.; United Zinc Smelting Corporation; Vacuum Oil Co. (Inc.); Vanadium Corporation of America; Virginia-Carolina Chemical Corporation; Ward Baking Corporation; Warner Sugar Corporation; Western Electric Co. (Inc.); Westinghouse Electric & Manufacturing Co.; Wickwire Spencer Steel Co.; Wright Aeronautical Corporation; L. A. Young Spring & Water Corporation.

Seventy-three directorships in public utilities, as follows: All American Cables (Inc.); American & Foreign Power Co. (Inc.); American District Telephone Co.; American District Telegraph Co. of New Jersey; American Telephone & Telegraph Co.; Atlas Utilities & Investors Co. (Ltd.); Atlas Utilities Corporation; Brooklyn, Manhattan Transit Co.; Carolina Power & Light Co.; Central Hudson Gas & Electric Corporation; Central Mexico Light & Power Co.; Cities Service Power & Light Co.; Columbia Gas & Electric Corporation; Commercial Cable Co.; Connecticut Electric Service Co.; Eastern Massachusetts Street Railway Co.; Eastern State Power Corporation; Electric Bond & Share Co.; Electric Power & Light Co.; Fulton Light, Heat & Power Co.; General Realty & Utilities Corporation; Guanajuato Power & Electric Co.; Havana Electric Railway Co.; Interborough Rapid Transit Co.; International Ocean Telegraph Co.; International Paper & Power Co.; International Power Securities Corporation; Lehigh Power Securities Corporation; Mackay Radio & Telegraph Co.; Mexican Telegraph Co.; Michoacan Power Co.; Mohawk Hudson Power Corporation; Montana Power Co.; National District Telegraph Co.; New Orleans Public Service (Inc.); New York Power & Light Corporation; New York Rapid Transit Co.; Niagara, Hudson Power Corporation; Northern Mexican Power & Development Co. (Ltd.); Postal Telegraph & Cable Corporation; Public Service Corporation of New Jersey; Second Avenue Railroad Corporation; Standard Gas & Electric Co.; Standard Power & Light Corporation; Twin City Rapid Transit Co.; United Gas Improvement Co.; United States Electric Power Corporation; United Light & Power Co.; Utah Power & Light Co.; Warren County Electric Light, Heat & Power Co.; Western Union Telegraph Co.; Williamsburg Power Plant Corporation.

Sixty-nine directorships in other banks: Anglo-South American Trust Co.; Bankers Trust Co., Little Rock, Ark.; Bank for Savings in the City of New York; Bowery Savings Bank; Canal Bank & Trust Co., New Orleans; Central Farmers Trust Co., West Palm Beach, Fla.; Central Hanover Bank & Trust Co.; Central Savings Bank in the City of New York; Citizens National Bank & Trust Co., of Englewood, N. J.; Commercial Investment Trust Corporation; Commercial Trust Co. of New Jersey; County Trust Co. of New York; Dunbar National Bank of New York; Equitable Eastern Banking Corporation; Equitable Trust Co. of New York; Farmers Deposit National Bank; First and Second National Bank & Trust Co.; First Mechanics National Bank, Trenton, N. J.; First Seattle Dexter Horton National Bank; First Stanford National Bank & Trust Co.; Goldman Sachs Trading Corporation; Greenwich Trust Co., Greenwich, Conn.; Harris Trust & Savings Bank; International Acceptance Bank (Inc.); International Bank of Amsterdam; Lawyers Mortgage Co.; Lawyers Title & Guaranty Co.; Lawyers Trust Co.; Lee Higginson Trust Co.; Montclair Trust Co., Montclair, N. J.; Morristown Trust Co., Morristown, N. J.; Mortgage Bond Co. of New York; National Shawmut of Boston, Mass.; Northern New York Trust Co., Watertown, N. Y.; Peoples Trust Co., Malone, N. Y.; J. Henry Schroeder Banking Corporation; J. Henry Schroeder Trust Corporation; Seaman's Bank for Savings in the City of New York; Title Guaranty & Trust Co.; Union Dime Savings Bank; United States Savings Bank of New York; United States Trust Co. of New York.

Eighty-two directorships in insurance companies: Agricultural Insurance Co.; American Alliance Insurance Co.; American Constitution Fire Assurance Co.; American Eagle Fire Insurance Co.; American Home Fire Assurance Co.; American National Fire Insurance Co.; American Re-Insurance Co.; American Surety Co. of New York; Associated Reinsurance Co. of New York; Bankers & Shippers Insurance Co.; Church Life Insurance Corporation; Church Properties Fire Insurance Corporation; Continental Insurance Co.; County Fire Insurance Co. of Philadelphia; Detroit Fire & Marine Insurance Co.; Eagle Indemnity Co.; Empire State Insurance Co.; Equitable Life Assurance Society of the United States; Fidelity-Phoenix Fire Insurance Co. of New York; First American Fire Insurance Co.; Great American Insurance Co.; Great American Indemnity Co.; Home Fire Security Corporation; Massachusetts Fire & Marine Insurance Co.; Mercantile Insurance Co. of America; Merchants Fire Assurance Corporation of New York; Merchants Indemnity Corporation of New York; Metropolitan Life Insurance Co.; Mount Royal Insurance Co. of Montreal; Mutual Life Insurance Co. of New York; National Surety Co.; Newark Fire Insurance Co.; New Jersey Insurance Co.; New York Casualty Co.; Niagara Fire Insurance Co.; North American Re-

assurance Co.; North British & Mercantile Insurance Co. (Ltd.) of London and Edinburgh; North Carolina Home Insurance Co.; Northwestern Mutual Life Insurance Co.; Pacific Fire Insurance Co.; Penn Mutual Life Insurance Co.; Pennsylvania Co. for Insurance of Lives & Granting Annuities; Pilot Reinsurance Co. of New York; Prudential Insurance Co. of America; Reliance Life Insurance Co.; Rochester American Insurance Co.; Royal Indemnity Co.; Seaboard Fire & Marine Insurance Co.; Standard Fire Insurance Co., Trenton, N. J.; Standard Surety & Casualty Co. of New York; Star Insurance Co. of America; Teachers Insurance & Annuity Association; Union Guarantee & Mortgage Co.; Washington Assurance Corporation of New York.

Two hundred and sixty-two directorships in miscellaneous corporations: Agfa Ansco Corporation; Air Reduction Co. (Inc.); American Arch Co. (Inc.), of New York; American Founders Corporation; American and Continental Corporation; American Enka Corporation; American Institute of Mining and Metallurgical Engineers; American International Corporation; American Investors (Inc.); American Petroleum Institute; American-Russian Chamber of Commerce; Archer-Daniels-Midland Co.; Astor Safe Deposit Co.; Austin, Nichols & Co. (Inc.); G. M. Basford Co.; Bell Telephone Securities Co.; Bluff Point Land Improvement Co.; Borden Realty Corporation; Boyce Thompson Institute for Plant Research; William Bradley & Son; Brooklyn Eastern District Terminal; Brooklyn Real Estate Exchange (Ltd.); Brooks Bros.; Brunswick Site Co.; Edward G. Budd Manufacturing Co.; Burns Bros.; California Petroleum Corporation; California Petroleum Corporation of Venezuela; Cape Cruz Co. (Inc.); Carib Syndicate (Ltd.); F. L. Carlisle & Co. (Inc.); Central Cunagua, South America; Century Holding Co.; Chamber of Commerce of the State of New York; Chapultepec Land Improvement Co.; Chase-Harris-Forbes Corporation; Chase-Harris-Forbes Corporation, Boston, Mass.; Chase Harris Forbes Corporation (Ltd.), London; Chase-Harris-Forbes et Cie, Paris, France; Childs Co.; Chromium Corporation of America; City & Suburban Homes Co.; Cold Run Water Co.; Colon Oil Corporation; Commercial Factors Corporation; Commercial Pacific Cable Co.; Commonwealth Fund; Commonwealth and Southern Corporation; Company of Master Craftsmen (Inc.); Consolidated Selling Co.; Continental Mortgage Guarantee Co.; Continental Securities Corporation; Copper Exporters (Inc.); Copper Institute; Corn Products Refining Co.; Council on Foreign Relations (Inc.); Cuban Air Products Corporation; Cuban All American Cables (Inc.); Cuyler Realty Co.; Debevoise Co.; Detroit River Tunnel Co.; Discount Corporation of New York; Dongan Hall (Inc.); Dunbar Safe Deposit Co.; Electric Overseas Investment Co.; Elliott-Fisher Co.; Empire Mortgage Co.; Empire Safe Deposit Co.; English Speaking Union; European Mortgage Investment Co.; Far Hills Land Corporation; Fifth Third Union Trust Co.; Finance Co. of Great Britain and America (Ltd.); First National Co., Trenton, N. J.; Fishers Island Corporation; Fish University; Fort William Henry Hotel Co.; Forty-four Wall Street Corporation; Four Seventy Five-Fifth Avenue Corporation; Franklin Railway Supply Co. (Inc.); Andrew Freedman Home; Freeport Texas Co.; Frontier Corporation; Garden City Co.; Henry Gardner & Co. (Ltd.); General American Investors Co.; General American Tank Car Corporation; General Motors Acceptance Corporation; General Motors Holding Corporation; General Motors Export Co.; Gold & Stock Telegraph Co.; B. F. Goodrich Co.; Great A. & P. Tea Co.; Great American Investing Co. (Inc.); Great Northern Iron Ore Properties; Greenwich Title & Trust Co.; M. A. Hanna Co.; Harbor Acres Realty Corporation; W. A. Harriman Securities Corporation; Harris-Forbes & Co. (Ltd.), Montreal Canada; Harvey & Outerbridge (Inc.); Harway Improvement Company; Havana Docks Corporation; Havemeyers & Elder (Inc.); Horticultural Society of New York; Hotel Waldorf-Astoria Corporation; Howe Sound Co.; Hudson River Estates (Inc.); Hudson Valley Fuel Corporation; Indian Refining Co.; Intercontinental Investment Trust; Intercontinental Rubber Co.; International Agricultural Corporation; International Carriers (Ltd.); International Communications Laboratories (Inc.); International Match Corporation; International Motor Co.; International Nickel Co. (Inc.); International Products Corporation; International Securities Corporation of America; Jewel Tea Co. (Inc.); F. B. Keech & Co.; Knickerbocker Forty-second Street Co. (Inc.); S. H. Kress & Co.; Lehigh Coal & Navigation Co.; Libby Owens Securities Corporation; Lincoln Warehouse Corporation; Loew's (Inc.); Mackay Cos.; Magnus Co. (Inc.); Maracaibo Oil Exploration Corporation; C. H. Masland Sons Co.; Mayflower Associates (Inc.); Melville Bond & Share Corporation; Merchant Sterling Corporation; Metropolitan Opera Co.; Mexican National Construction Co.; Mexican Utilities Co.; Minerals Separation North America Corporation; Morristown Securities Corporation; Mortgage-Bond & Title Corporation; Muskogee Co.; N. & L. Realty Corporation; Nassau Hospital; National Bellas Hess Co. (Inc.); National Broadcasting Co.; National Employment Exchange; National Lead Co.; Newark Factory Sites (Inc.); New York Clearing House Building Co.; New York Mutual Telegraph Co.; New York Produce Exchange Safe Deposit & Storage Co.; New York Stock Exchange; Northern Finance Corporation; Northern New York Development Co.; Northern Securities Co.; Oceanic Investing Co.; One East End Avenue Corporation; One Hundred Fifty William Street Corporation; One Liberty Street Realty & Securities Corporation; One Ninety-Five Broadway Corporation; Pacific Coast Co.; Pacific Commercial Co.; Panther Valley Water Co.; Petroleum Corporation of America; Philharmonic-Symphony Society; Porto Rico Mercantile Co.; Postal Telegraph Cable Co.; Power Securities Corporation; Provident Loan Society of New York; Public Utility Holding Corporation of America; Pullman (Inc.); Radio Communication Co. (Inc.); Radio-

Keith-Orpheum Corporation; Rail Joint Co.; R. C. A. Communications (Inc.); Royal American Corporation; St. Lawrence Securities Co.; Saratoga Association; Saratoga Association for the Improvement of the Breed of Horses; F. A. O. Schwarz; Sheaffer's Creek Water Co.; Shelton Holding Corporation; W. & J. Sloane; Society Realty Co. (Inc.); Solvay American Investment Co.; Sprague Safety Control & Signal Corporation; Springler-van-Beuren Estates (Inc.); Sterling Securities Corporation; Stock Quotation Telegraph Co.; Stone & Webster (Inc.); Texas Co.; Texas Co. (California); Texas Co. (Delaware); Texas Co. (Mexico) South America; Texas Corporation; Texas Petroleum Co.; Texas Production Co.; Thompson-Starrett Co. (Inc.); Tide Water Associated Oil Co.; Tobacco Products Corporation; Township Realty Corporation; Transamerica Corporation; Tri-Continental Corporation; Trust Co. of Northern Westchester; Union Mortgage Co.; United Chromium (Inc.); United Cigar Stores Co.; United Corporation; United Founders Corporation; United Securities Corporation; United States & Foreign Securities Corporation; United States Guarantee Co.; United States & International Securities Corporation; United States Leather Co.; United States Lines (Inc.); United States Lines Operations (Inc.); Westinghouse Electric International Co.; Wood Struthers & Co.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. Would it be possible, under the Senate rules or under the rules of the Joint Committee on Printing, to have a cut made of the large chart, so that the cut would take approximately one page of the CONGRESSIONAL RECORD?

Mr. NORRIS. I think not, Mr. President. I should like to have that done if I could; but, to be fair about it, the rules provide that we can not print an illustration, and I suppose that spider web would constitute an illustration, and it would be a violation of the rules to print it in the RECORD.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Nebraska further yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. I have seen charts of various kinds printed in the CONGRESSIONAL RECORD. I think it takes a special order to have it done.

Mr. NORRIS. It takes a special order to print one of these charts; but I am satisfied that to print that one, much as I should like to have it in the RECORD, would be a violation of the rules; and therefore I do not expect to ask to put it in.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. NORRIS. I yield.

Mr. FESS. The Senator from Nebraska is correct. If it is a mere chart, it can be easily done under the order of the Joint Committee on Printing; but if it is an illustration, it can not be done.

Mr. NORRIS. Several years ago the Senate permitted an illustration to be put in the RECORD at the request of the then Senator from South Carolina, Mr. Tillman. He put in a picture, an illustration of a cow, a horse, or something of the kind, that he had used on a chart; and the rule was changed then.

The particular chart that the Senator is talking about is an illustration. It has more on it than simply the drawing of lines connecting the various corporations.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. NORRIS. Yes.

Mr. THOMAS of Oklahoma. It would be a very inexpensive and simple matter to have a zinc plate made of that chart. The plate could be made of a proper size to occupy one page of the CONGRESSIONAL RECORD. The cost would be practically nothing.

That chart contains so much information that anyone can understand it who will take a moment's time to look at it. I very much hope we can arrange to have one page of the RECORD contain a zinc cut showing exactly what is shown on that large chart.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SMOOT. I desire to say to the Senator that that can not be done without a concurrent resolution of the House and the Senate. I have no objection at all as far as I am concerned.

Mr. NORRIS. Knowing that it would violate the rule to put that illustration in the RECORD, and that we would have to change that rule, I had not intended to ask that it be put in. I do not believe I would be justified in doing it, much as I should like to have it go in.

Mr. President, I think I was through with this chart when I was interrupted. I want to say, before leaving it, that this is only a sample; and this does not tell the whole story. The interlocking directorates go a great deal farther than is shown here. The control by the Chase National Bank of a certain corporation of which it does not have, we will say, a majority of the stock holdings will be made complete by the other interlocking directorates that come from other banks which in turn, through these directorships, are connected with the Chase National Bank.

I have here a chart outlining in a somewhat similar way the interlocking connection, through directorships, of the house of Morgan. J. P. Morgan & Co. have 19 partners. Here are seven banks and trust companies—in reality eight, because there are two in one or two places—known as Morgan banks. They are not the only banks that are controlled, at least partially by the firm of J. P. Morgan & Co., but they are outstanding ones. They consist of the Bank for Savings in New York City; the Bankers' Co. and the Bankers' Trust Co.; the Corn Exchange Bank & Trust Co., of New York; the Fidelity Trust Co., of Philadelphia, Pa.; the Girard Trust Co., of Philadelphia, Pa.; the Guaranty Trust Co., of New York; and the New York Trust Co. These spaces down here, connected with each one of the banks I have mentioned, show the control by these particular subsidiaries of J. P. Morgan & Co. of the interlocking directorships that they have with other and outside corporations not named here.

For instance, the Bank for Savings in the city of New York has 30 directorships in other banks. The same bank has 56 directorships in miscellaneous corporations. It has 48 directorships in insurance companies. It has 18 directorships in manufacturing companies. It has 32 directorships in transportation companies. It has 20 directorships in public-utility companies.

Let us take another one, the Corn Exchange National Bank & Trust Co., of New York. That is another one of the banks controlled by the House of Morgan. The Corn Exchange Bank has 11 directorships in other banks. It has 41 directorships in miscellaneous corporations. It has 26 directorships in insurance companies. It has 28 directorships in manufacturing companies. It has 6 directorships in transportation companies; and it has 4 directorships in public-utility companies.

Here, for instance, is the Guaranty Trust Co., of New York, one of the banks controlled by Morgan. It has 34 directorships in other banks. It has 222 directorships in miscellaneous corporations. It has 39 directorships in insurance companies. It has 92 directorships in manufacturing companies. It has 154 directorships in transportation companies. It has 106 directorships in public-utility companies.

And so on with all the others that I will not stop to read that appear on this chart.

Mr. LOGAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield to the Senator.

Mr. LOGAN. I will ask the Senator if the 4-line doggerel that describes old Noah's fleas could not very well be applied to some of these banks?—

Old Noah's fleas had other fleas
Upon their backs to bite 'em,
And those small fleas had smaller fleas,
And so on ad infinitum.

[Laughter.]

Mr. NORRIS. I am rather inclined to think that that will apply very well not only to this particular illustration but to all the others.

So that taking the total, Mr. President, the house of Morgan directly, through these banks I have named and which the house of Morgan controls, has 219 directorships in other banks; and Morgan has, in the same way, 642 directorships in miscellaneous corporations. The house of Morgan has 215 directorships in insurance companies. It has 425 directorships in manufacturing and mining companies. It has 423 directorships in transportation companies. It has 318 directors in public-utility companies. This makes a total of 2,242 directorships held directly by the Morgan banks in the various kinds of corporations that I have named.

I do not have the names of these various corporations here as I do in the analysis of the Chase National Bank. I do not have that simply because I did not have time to complete this, but if we should take the names of these various corporations and put them on here, we would find that to a very great extent they would correspond with the corporations named on this chart for the Chase National Bank. In other words, these banks, by their interlocking method of directorships, when they combine, can control practically any corporation of any size in the United States. I do not care whether it is a banking institution, whether it is a railroad, whether it is operating flying machines, whether it is engaged in mining, whether it is engaged in any line of manufacturing, that statement holds true as to practically all of them in the United States.

Now, Mr. President, I want to take up this other chart. I have here on this chart what is named "The Spider Web of Wall Street." It has on it the following banks and trust companies, showing connections with other corporations and other banks:

First, J. P. Morgan & Co.; the Guaranty Trust Co.; the Bankers' Trust Co.; the First National Bank; the Central Hanover Bank; the Irving Trust Co.; the National City Bank; the Chase National Bank.

This chart contains the names of 120 corporations of various kinds that are connected with one or more of these banks. It does not tell the whole story by any means, Mr. President. It represents interlocking directorates on July 1, 1932, between 8 leading banking institutions in New York City on the one hand, and 120 major corporations on the other.

Mr. LOGAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield to the Senator.

Mr. LOGAN. Does the Senator mean that these corporations named around the rim are the 120 to which he refers?

Mr. NORRIS. They are the 120.

Mr. LOGAN. It seems to me, just from looking at the chart, that there are more than 120 there.

Mr. NORRIS. No; I think the Senator will find, if he will look at them, that there are 120.

Mr. LOGAN. I do not have to count them to find out that there are more than 120 names around that rim.

Mr. NORRIS. I want to say to the Senator from Kentucky, however, and to other Senators, that this list of corporations around here does not come anywhere near naming all of them. This chart, in round numbers, is about 8 feet square. If I had a chart large enough to contain the names of all the corporations that are directly and indirectly controlled through interlocking directorates by these eight banks, and if it were big enough so that you could read it, there is not a wall space in the Senate Chamber that would hold it. Instead of 120 corporations we would have thousands of corporations. You can well see, from even one of the institutions I have given from this chart, that that is so.

So that we have just a miniature picture here. It is 8 feet square; but, as a matter of fact, if all the corporations controlled as these 120 are controlled were put on the map, there is not a magnifying glass in the country that would magnify it sufficiently so that it could be read.

Each line on this map means that the company and the bank or banks connected by the line had at least one director or similar official in common. The chart may look complicated; but it is, in fact, a simplification of the actual state of affairs. No attempt has been made to indicate where there are two or three identical directors between a company and a bank. Only a few of the total number of corporations with which the eight banking institutions symbolized by the legs of the Wall Street spider are interlocked appear in this chart. Five hundred corporations alone are connected with two or more of the eight banks by the same directors. Of this number, approximately 160 have common directors in three or more banks. The web indicates only 120 of the most typical companies. They are found among railroads, public utilities, insurance companies, banks, investment corporations, manufacturing enterprises, chain stores, and so forth.

The main leg of the Wall Street spider is J. P. Morgan & Co. That is a private banking house, a partnership, which does not publish a financial statement of its business. Three of the banks shown on the chart are dependents of J. P. Morgan & Co., the Guaranty Trust Co., the Bankers Trust Co., and the First National Bank. The two largest banks in the United States are close allies of Morgan, the Chase National Bank, and the National City Bank. The Central Hanover Bank & Trust Co. and the Irving Trust Co. are also within the Morgan sphere of influence. All these banking institutions have common directors. Together, they exercise control over one of the most important sections of economic life in the United States to-day.

Mr. President, I ask at this point to have printed the names of these 120 corporations which are shown on the plat here, and which are connected by interlocking directorates with these various banks named.

THE VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE SPIDER WEB OF WALL STREET

- | | | | |
|--|--|---|-------------------------------|
| 1. Adams Express. | 47. Electric Bond & Share. | 93. Pullman (Inc.). | 107. Thompson-Starrett. |
| 2. Aetna Insurance. | 48. Equitable Life. | 94. Public Service Corporation of New Jersey. | 108. Tidewater Atlantic Oil. |
| 3. Air Reduction. | 49. Erie Railroad. | 95. Radio Corporation. | 109. Union Pacific. |
| 4. All American Cables. | 50. Fifth Avenue Coach. | 96. Radio Keith Orpheum. | 110. United Corporation. |
| 5. American Can. | 51. First Security. | 97. Remington Arms. | 111. United States Guarantee. |
| 6. American Locomotive. | 52. Fox Film. | 98. Remington Rand. | 112. United States Leather. |
| 7. American Radiator. | 53. General Electric. | 99. St. Regis Paper. | 113. United States Rubber. |
| 8. American Smelting. | 54. General Motors. | 100. Shell Union Oil. | 114. United States Steel. |
| 9. American Sugar Refining. | 55. Goodyear Tire. | 101. Southern Pacific. | 115. Utah Copper. |
| 10. American Surety Co. | 56. Great Atlantic & Pacific Tea. | 102. Southern Railway. | 116. Ward Baking. |
| 11. American Telephone & Telegraph Co. | 57. Illinois Central. | 103. Standard Brands. | 117. Westinghouse Electric. |
| 12. American Woolen. | 58. Ingersoll-Rand. | 104. Standard Oil of New York. | 118. Western Union. |
| 13. American Writing Paper. | 59. I. R. T. | 105. Stone & Webster. | 119. White Rock. |
| 14. Anaconda Copper. | 60. International Agricultural. | 106. Texas Gulf Sulphur. | 120. Woolworth & Co. |
| 15. Associated Dry Goods. | 61. International Harvester. | | |
| 16. Astor Safe Deposit. | 62. International Mercantile. | | |
| 17. Atchison, Topeka & Santa Fe. | 63. International Nickel. | | |
| 18. Aviation Corporation. | 64. International Paper. | | |
| 19. Atlantic Fruit. | 65. International Telephone & Telegraph. | | |
| 20. Baldwin Locomotive. | 66. Johns-Manville. | | |
| 21. Baltimore & Ohio. | 67. Kennecott Copper. | | |
| 22. Bank for Savings. | 68. Laurens Cotton. | | |
| 23. Bates Valve Bag. | 69. Loew's. | | |
| 24. Bethlehem Steel. | 70. Mellon National Bank. | | |
| 25. Bonbright & Co. | 71. Mercantile Insurance. | | |
| 26. Borden Co. | 72. Metropolitan Life. | | |
| 27. Bowery Savings. | 73. Michigan Central. | | |
| 28. Braden Copper. | 74. Montana Power. | | |
| 29. Bush Terminal. | 75. Montgomery Ward. | | |
| 30. Case Threshing. | 76. Mutual Life. | | |
| 31. Cerro Copper. | 77. National Aviation. | | |
| 32. Chase Securities. | 78. National Biscuit. | | |
| 33. Chrysler Corporation. | 79. National Broadcasting Co. | | |
| 34. Coca-Cola. | 80. National Cash Register. | | |
| 35. Colorado Fuel & Iron. | 81. New York Central. | | |
| 36. Columbia Gas & Electric. | 82. New York Edison. | | |
| 37. Commonwealth & S. | 83. New York, New Haven & Hartford. | | |
| 38. Consolidated Gas. | 84. New York Title. | | |
| 39. Consolidated Coal. | 85. New York Trust. | | |
| 40. Continental Baking. | 86. Niagara Hudson. | | |
| 41. Corn Exchange. | 87. Northern Pacific. | | |
| 42. Delaware & Hudson. | 88. Otis Elevator. | | |
| 43. Delaware, Lackawanna & Western Coal. | 89. Pennsylvania Railroad. | | |
| 44. Dillon, Read. | 90. Phelps Dodge. | | |
| 45. Discount Corporation. | 91. Postal & Cable. | | |
| 46. Du Pont de Nemours. | 92. Prudential Insurance. | | |

Mr. NORRIS. Mr. President, what does all this show? It demonstrates very clearly, in my judgment, that the control of all the business of the United States is drifting rapidly toward corporations. Especially when we consider the development and the advance that has been made in this control, as shown by me a short time ago; it demonstrates, it seems to me, that all of us soon will be hired men, working for some corporation.

Mr. President, if the Government of the United States to-day wanted to take over the railroads of this country, it would have to see only one man, just one, J. P. Morgan. That is true of almost any other operation. Morgan and his associates would be able to enter into the deal if they wanted to, and compel a sale if they wanted to. They can control in any of these corporations the lowering or the raising of wages; they can change the conditions of labor; they can raise or lower the price of the output of any of these manufacturing establishments simply because they control the money of the United States.

The railroad officials are only their servants. The presidents and the officers of these various manufacturing corporations are compelled, whether they like it or not, to obey the mandate that comes from Wall Street. Then will somebody have the courage to deny that there is a money trust?

When we look over the public-utility field and see how the house of Morgan is gradually and rapidly getting control, as shown by the figures and the statistics I put into the RECORD, can we reach any other conclusion than that any of these organizations, any of these operating companies, any of these holding companies, will find it impossible to do anything contrary to the wishes of the men who control the money strings in Wall Street? In that case it has almost reached the point now when it is one man, J. P. Morgan.

J. P. Morgan, with the assistance and cooperation of a few of the interlocking corporations which reach all over the United States in their influence, controls every railroad in the United States. They control practically every public utility, they control literally thousands of corporations, they control all of the large insurance companies.

Why do they want to mix in the insurance business? In the real insuring of people they have no interest; they do not care anything about that. They want the money. They want to be the depositories of the large funds, the enormous funds, the millions of dollars which are necessary in the operation of these great insurance companies. It is the money they are after.

Any of these other corporations which want to borrow money can not find a place on earth to get it unless they go to some one of the webs of this giant spider, it may be in San Francisco, it may be in Washington, it may be in Nebraska, it may be in Maine. Wherever it is, these lines connected with the money power of Wall Street are connected with practically every large banking institution, either wholly or partially.

Mr. President, we are gradually reaching a time, if we have not already reached that period, when the business of the country is controlled by men who can be named on the fingers of one hand, because those men control the money of the Nation, and that control is growing at a rapid rate. There is only a comparatively small part of it left for them to get, and when they control the money, they control the banks, they control the manufacturing institutions, they control the aviation companies, they control the insurance

companies, they control the publishing companies; and we have had some remarkable instances of the control of the publishing companies presented before a subcommittee of the Committee on the Judiciary.

These corporations forget nothing. We had illustrations given us where a magazine would start out on a particular line, but would find itself called on the carpet by some one from one of these great institutions. They were told what the policy must be. Absolute failure stared them in the face unless they obeyed. Through the control of advertising, which, incidentally, to a great extent, is handled by corporations which this money trust controls, they control the avenues of publicity.

Mr. President, the tramp on the street who munches a crust of bread somebody has given him is very likely eating something which came from a corporation controlled by this great money trust. Bread is manufactured by corporations, and shipped all over the country, and the price is kept up, while the price of wheat goes down. We have to pay practically the same price for a loaf of bread when wheat is 25 cents a bushel in the Western States, as we paid when wheat was \$2.50 a bushel. It is all controlled by corporations. The clothing we wear, the food we eat, the automobiles, in the main, that we use, the gasoline and the oil we buy to operate them, to a great extent are controlled by this financial center represented by this spider.

Mr. President, how long are we to stand for that? How much longer will we stand for it before we realize that we are just hired men of corporations; that we are just slaves; that we have nothing to say about anything that shall be done unless we get the consent of some great big corporation which through its interlocking directorates controls practically every avenue of human activity?

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH of Massachusetts. I would like to ask the Senator a question. I do not suppose the Senator objects so much to the management of all these varied financial and industrial activities by corporations as to the fact that many of their officials have created corporations whose stock is filled with water, that they have paid their entrenched officials unconscionable salaries, that they have speculated and gambled with the private financial resources they have been intrusted with, and have carried on their functions in disregard of the public interest and without an effort to do justice to their employees or even to their stockholders?

Mr. NORRIS. Of course, Mr. President, a beautiful theory can be woven, and it can be said that if we get a big corporation that covers everything we will be able to reduce the prices of products to the consumers. But human nature is just the same now as it was a hundred years ago. Give to a man the power, especially if he has in his heart the greed that comes with great financial power as a rule, and when he gets the power the consumer will not get any benefit—the man will get it. When the power is all in the hands of one or a few men, the consumer will be bled white. That has been the lesson of history. Evidence taken only yesterday before the Committee on Banking and Currency shows how one of these men I have named here, drawing a salary of \$50,000 a year for operating one of these great banks, received bonuses to the amount, as I remember, of over \$3,000,000 in three years besides his salary. He sold stock at from \$200 to \$500 a share that is now worth less than \$40, sold some of it to the employees of the bank, and they are paying on the instalment plan. I understand it would be possible for them to buy the stock on the market for less than what they still owe on it, but they can not do it because they want their jobs, especially in these times.

Mr. WALSH of Massachusetts. Mr. President, the abuses are more apparent to-day than ever before, and for that very reason, if for no other, I agree with the Senator that some action ought to be taken to prevent the further suffering of the American public caused by the unethical

and selfish manner in which so many of the large corporations have been managed and which has largely contributed to the present economic distress.

Mr. NORRIS. Mr. President, just a day or so ago, before the Committee on Banking and Currency, it was developed that Halsey Stuart & Co., one of the greatest houses of its kind, if not the greatest, in the United States, had hired a professor out of a university to talk over the radio to the people of the United States. I have heard him, and I suppose all Senators have heard him, telling how to invest money. They call him the "Old Counselor." He was a professor from a university. They paid him, I understand, \$50 a week. He did not prepare his addresses; Halsey Stuart prepared them. They got them up for him, and all he did was to read them, and that is one of the ways they operate. That looks a good deal like the methods the public utilities companies have used to control the public during all the years that have passed.

Here were men and women with some money, savings, perhaps the proceeds of a life-insurance policy to a widow from a dead husband, wanting to invest the proceeds, and they were talked to by "Old Counselor," hired by Halsey Stuart & Co., paid by them, talking their words, not his, over the radio, giving this advice. They would naturally suppose he was a professor in a university, an economist, an honest man, and that he was giving his own ideas. When simmered down, the advice was that the securities they were advised to buy were securities which Halsey Stuart & Co. had for sale and which afterwards became practically worthless.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. On yesterday, in the course of some remarks made by myself, I made the statement that the three larger banks in New York City—the Chase National, the National City, and the Guaranty Trust Co.—have combined resources approximating \$5,000,000,000. At the present time, because the dollar is worth 200 cents instead of 100 cents, their resources in buying power and real financial power are \$10,000,000,000. In addition to these are many other banks in New York City. Can the Senator advise the Senate of the total resources of all the banks in New York City?

Mr. NORRIS. No; I can not. I do not have the figures here.

Mr. THOMAS of Oklahoma. The amount would be much larger than for the three banks?

Mr. NORRIS. Oh, yes; much larger.

Mr. THOMAS of Oklahoma. It would approximate many times \$5,000,000,000. The consolidated banks in New York, represented by the spider on the chart on the wall, have perhaps \$20,000,000,000 of resources, which at the present time, on the basis of the present value of the dollar and its buying power, would be, in effect, \$40,000,000,000, and that, exercised through central control, is practically the financial control and power of the United States. Does the Senator agree with that conclusion?

Mr. NORRIS. Yes; I do.

Mr. President, I am reminded by the interruptions of the Senator from Oklahoma [Mr. THOMAS] and the Senator from Massachusetts [Mr. WALSH] of one other thing I want to say. I referred to the evidence given by Mr. Stuart, of Halsey Stuart & Co., before the Banking and Currency Committee yesterday and the day before. I referred to the "Old Counselor" giving advice as to how money should be invested. Let me suppose a case. Suppose the Senator from Oklahoma were walking down the streets of Washington and a widow should come along whom he knew had in her pocketbook the proceeds of a life-insurance policy on her dead husband, which she was probably taking to the bank to deposit. Suppose the Senator would knock her down and steal the money from her and undertake to escape. The people roundabout, if they saw what had happened, would

seize the Senator from Oklahoma, and if they did not tear him limb from limb—if the mob did not kill him on the spot—he would be sent to prison when he got into court a short time afterwards.

But what about Halsey Stuart & Co.? This same widow with the \$10,000 that her husband had worked perhaps during almost a lifetime to accumulate in the form of a life-insurance policy, hears the "Old Counselor" say in effect, "Why I am a professor in a university. From the bottom of my heart I am trying to give advice to men and women about how to invest their savings. I am the 'Old Counselor.' I advise you to go and buy some stock in Mr. Insull's company. That is the best investment I know." When that is done now by the men who get millions and millions from the poor people of the United States in that manner, in their fictitious securities that they float and sell to innocent and honest people of the country, when they do that kind of thing and take the \$10,000 away from the widow, they are considered financiers. They are not punished like the Senator from Oklahoma would be if he stole it on the street in the case I have just supposed. He did not use any deception. He simply robbed her of the money. But Halsey Stuart & Co. used deception. They hired a decoy. They hired a man who is supposed to be an upright man, a professor in a college. They paid him their money. They wrote the articles which he was to read over the radio.

In the outcome they got the money from the widow just the same as the Senator from Oklahoma would have gotten it if he had robbed her on the streets of Washington. But the Senator would go to jail because he would be a criminal. Halsey Stuart & Co. are financiers. They are specialists. The professor is a specialist. He is an economist. They are men of high standing, away up at the top of the ladder, and when we want to find out how we are going to get out of the depression we send for such men and ask their advice about how to get out, when they are the men who put us into the depression. We still believe they know how to redeem us from what looks a good deal like destruction!

SUGGESTIONS ON ECONOMIC CONDITIONS

Mr. LOGAN. Mr. President, I do not desire to discuss the pending amendment or the bill which we are considering, but in view of the informative address which has been delivered by the senior Senator from Nebraska yesterday and to-day and having thought about some matters along the same lines, I want to ask the indulgence of the Senate to offer some suggestions about the new deal which has been talked of considerably during the past few months.

Much has been said of late about the new deal which was promised during the recent presidential campaign. At this session of Congress little that is new has been discussed, and if a new deal is begun now, it appears that the commencement must be made through the use of old and worn-out tools.

A new deal, as I understand it, would mean a better arrangement for capital, labor, and the entrepreneur. The entire earnings of a people, regardless of the enterprise in which they may be engaged, are represented by the earnings of labor, the earnings of capital, and profits.

In considering questions that will bring a new deal to everyone who is interested in the public welfare, it is of the highest importance that the aim of those who propose to usher in the new deal shall be to care for the earnings of capital, the earnings of labor, and to deal with profits. Perhaps it is impossible to devise a workable plan or method unless the information on which it is based is accurate. Society has become so complicated that no man or group of men will possess sufficient wisdom to hastily determine what course may be pursued that will bring about a wise result. I hope that I may be classed among those who believe that through the application of wisdom to problems of government the life and happiness of the Nation may be made secure and that a new arrangement may be ushered in where justice and mercy will flow pleasingly over the land and where happiness will prevail in every walk of life, for, after

all, the main purpose of every government should be to bring happiness to the people.

After giving much thought to matters, and advising with others in whose judgment I have confidence, I have concluded that a few suggestions which occur to me may be worthy of consideration by those upon whom rest the burden of finding a solution for many perplexing problems.

The Senator from Mississippi [Mr. HARRISON] introduced a resolution asking that a committee be empowered to make a thorough investigation of present-day conditions, taking into consideration every line of industry whereby the people earn their sustenance. I think that was a wise step and that a careful investigation may result in the development of ideas that will greatly aid in reaching sound conclusions. The suggestions which I may advance, upon more careful study, may prove unsound or impracticable. I can not say that the premises on which my ideas are based are true beyond question and that consequently the ideas must therefore be sound. If I had proven the truth of what I may say by actual test, it may be that I would have discarded the suggestions in their incipency. Propositions and ideas should not be written into law until there has been a test unless it be imperative that legislatures go into the realms of speculation and experimentation. What I suggest I shall ask to be considered as suggestions only. It is through suggestions and resultant tests of their truth that solidity is found.

The committee which has been vested with power and authority to assemble facts will come face to face with the business interests of the country, and will find out what may be done, if anything, to remedy present conditions and to insure the people of the Nation against a recurrence of a period such as now envelops us. I am not among those who believe that the conditions, now almost intolerable, are temporary or that they will soon pass away. I doubt that they will pass away at all unless wisdom to grapple with them is found in high places. Everyone will readily agree that there should be no recurrence of a similar depression. More than one thing may be needed to prevent it. Because nothing has been done in the past to prevent such economic disasters is no reason why we may assume at this time that nothing can be done. Rather, we should treat it as a reflection on the wisdom of the statesmen in the days that are gone that they did not secure us from the travail of the present time, and we should be certain that we do not leave it to some future generation to lay the odium at our door that another economic disaster shall well-nigh destroy a great Nation.

Commerce is the life of the people of the Nation, as well as the people of the world. The wars that we may have in the future will have as their basis a contest for trade and commerce. A people live, thrive, and find happiness through the instrumentalities of commerce. When commerce ceases, or becomes restricted, desolation must follow. It is important, therefore, that we consider the question of trade and commerce as one of the most important questions with which we have to deal.

Commerce within a State can only be regulated by the laws of the State, but commerce between the States and with foreign countries is subject to regulation by the Congress of the United States.

Since Congress may control foreign and interstate commerce it has vested in it the power to deal with the earnings of capital, the earnings of labor, and the profits. As these make up the sum total of all human endeavor along economic lines, the vast importance of the matter is at once apparent. Efforts have been made in the past, and there are suggestions along the same lines now, that Congress may impose conditions upon the right of individuals or groups to engage in interstate commerce. Under the "general welfare clause" of the Constitution it is often argued that the Congress is vested with power to enact legislation which promotes the general welfare, regardless of other provisions in that instrument. I hardly think that is true, but that Congress may devise a plan which will control and

regulate vast aggregations of wealth used in direct or indirect interstate commerce, seems to me beyond question.

If the Congress may control foreign and interstate commerce to the extent of requiring whoever engages in such commerce to do so under a Federal charter which would leave to the Congress the power to determine what shall be a fair rate on invested capital, and how the surplus, if any, may be disposed of and for what purposes such surplus may be used, then Congress has ample authority to see to it that when the new deal is brought about there shall be no possibility of the gathering of the great wealth of the Nation into great reservoirs where it is impounded and will not flow save at the will of those who control the gates of the reservoir.

This is a good time to initiate a new era. Business is almost without profit-yielding life. The reservoirs of wealth, which have been accumulated through the sapping of the economic vitals of the people as a whole have about dried up. If we are to build for the future we should build on a more substantial foundation. If the foundation is secure we need not fear that the superstructure will collapse except through negligence and carelessness in its erection. An unsubstantial foundation will allow the superstructure to fall when the weight becomes too great. Our foundation has crumbled, and we found when the stress came that it was built on the shifting sands. Let us clean out the rubbish and dig deep until we find that which is firm, and then we may build again with the assurance that business will rest secure on a basis that may not be shaken by the storm and stress of economic upheavals.

Mr. President, in working out plans for the new deal no one should forget that capital is always entitled to a fair return on the investment if the investment is wise, the management efficient, and the business lawful. Labor, which is of equal importance with capital, is entitled to a fair rate for the labor given to the enterprise, whatever it is. When capital shall have received a fair rate and labor shall have received a fair wage, that which remains over is profit. The Government may take this profit for taxes toward the support of the Government under laws that are within constitutional limitations. If it may take the profits above a fair rate to capital and above a fair rate to labor, then why may it not take the profits, as trustees, for the use of the owners of the capital and for the use of the labor which provided the profit?

If the Government should determine that invested capital was entitled to a rate of 7 per cent, after the payment of a fair wage to labor, and if there were no profits above that, the Government would not impound any surplus for the simple reason that there would be none to impound. If there were returns above the fair wage and a fair return on the investment, and the Government should impound that surplus, it would then become necessary for Congress to prescribe by law the use that should be made of the surplus held by the Government, at least in part, as trustee for both capital and labor. It would also be for the Congress to prescribe, after a full investigation and an ascertainment of facts, what part of the surplus should be allocated to capital, what part to labor and what part the Government should take toward its support.

It may be that the part allocated to labor could be used to provide unemployment insurance. It may be that the part allocated to capital could be used to pay dividends to stockholders in the years when the earnings failed to provide a sum for that purpose. These things would be matters of detail. The foundation of the plan would be that the Congress should prescribe by law that whoever engaged in interstate commerce or in foreign commerce should obtain a charter from the Federal Government with regulatory powers held by the Congress. If the Congress should then prescribe laws regulating the earnings of capital and the earnings of labor, and take over any surplus above that to be held for purposes denominated by the Congress, then we would have discovered a method whereby human greed would be very greatly restricted and equity would flow to the general public.

Everything that is taken from the public above that which will provide a fair rate on the invested capital and a fair wage to labor is taken without authority. The aggregation of great funds has been brought about because those who controlled the capital exacted more from the general public than they were entitled to. Great monopolies have been fostered for the sole purpose of building up an enormous surplus which was under the control of a few private individuals.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. LOGAN. I yield.

Mr. KING. I did not hear all the Senator's statement. Is it his view that under the power to regulate commerce the National Government may require persons who may engage in commerce extending beyond the borders of their respective States to take out Federal licenses or charters, and that the Federal Government may determine what shall be the earnings and impound the residue and make disposition of it as it sees fit; or is the Senator contending that under the taxing power of the Federal Government the suggestions which he is now making may be brought about?

Mr. LOGAN. Mr. President, I take neither position, may I say to the Senator. I am making these suggestions with the reservation that what I have said may be unsound, but my idea is that it could be done under the taxing power of the Government; that the Congress, under the taxing power which is vested in it by the Constitution, has absolute control of the purse strings of the people—that is evident—and that these things might be done. I do not say that they could be done; but unless they can be done, it appears to me that there is no way to break the grip of the great aggregations of wealth which have been discussed by the Senator from Nebraska [Mr. NORRIS] yesterday and to-day.

Mr. KING. Mr. President, if the Senator will pardon a further interruption—

Mr. LOGAN. Certainly.

Mr. KING. I think there is no doubt as to the power of the Federal Government to tax profits, as the power rests in the Government to tax incomes of individuals and to tax excess profits as it did during the war. I was interested, however, in the suggestion, if I understand the Senator, that Congress could take the surplus profits, impound them, and then use them for such purposes as might be called extraconstitutional or extragovernmental. I have no doubt as to its power to impose taxes; if it were considered wise, Congress could obtain all of its revenue from excess profits and from the taxation of corporations; but it seems to me that it might be straining the taxing power, and certainly the interstate-commerce provision of the Constitution, if, under the authority of either or both, the wealth of the country might be taken and devoted to a social program that might probably be brought within the authority of municipalities, counties, or States.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. I just want to attract the attention of the Senator from Utah to the fact that it might be necessary to couple the taxing power and the interstate-commerce power. I think I am familiar with what the Senator from Kentucky is talking about; I have been reading his plan; and by coupling the taxing power and the interstate-commerce power, under the two, there ought not to be any trouble, and the plan certainly ought to be constitutional.

Mr. LOGAN. Mr. President, it may be that there would be trouble; but some solution must be found, and these suggestions may be worthy of consideration.

If the Constitution was adopted to promote the general welfare, it appears to me that a nation should not be helpless against the spoliation of its people by those who have control of great wealth. Assuredly they are entitled to equal and exact justice, and that means a fair rate on their invested capital. If they receive more than that, which means

that they receive more than is necessary to a return of profit on invested capital and to promote and develop the industry, they have taken from the general public that to which they are not entitled. We have read many times that some particular group had declared a 100 per cent stock dividend or an enormous dividend in money. When such dividends have been declared, it means that the people parted with that which belonged to the individuals of the public, and there was gathered into the coffers of the few money to which they were never entitled. This may seem a strange and new doctrine, but, if it be sound, it should not be discarded because it is new or strange.

It may be said that those who by their skill enable a particular industry to earn large profits are entitled to enormous profits because of the skill and judgment which have been exercised in the management of the business. Those who have managed the business have received compensation for their wisdom in the conduct of the business before there is any consideration of the question of profits.

There has been much said about decentralization of wealth. If the plans which I am trying to suggest had been in effect throughout the years, there never would have been a centralization of wealth, and it follows that there would never have been a necessity for a decentralization.

I am entirely convinced that any nation that allows the powerful to plunder the weak, or the rich to despoil the poor, is not discharging its proper functions as a nation. The rich are entitled to the full protection of the laws and the powerful likewise are entitled to their equal protection, but they are not entitled to more than equal protection before the law. It is a biological truth that in every strata of animal life it is the strong that destroy the weak until the weak have devised some plans to repel the destructive forces exerted by the strong. The rich and the powerful need no protector. They are able to protect themselves. It is the poor and downtrodden and those who have no helper that must be sheltered by the beneficent wings of a great Government.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. The Senator has stated that the powerful need no help. The fact, however, is that when the wealthy have been turned loose in this country to make a spoliation of the little man, when they have sapped up the life and all the wealth out of the bottom structure and the middle structure, they then began to crystallize and stagnate at the top. The trouble with the wealthy to-day is that they have brought the little man to where he has nothing, and there is no place where he can reap any future profits; and so their own wealth is becoming worth nothing, because gold held as gold is of no value to anyone; it can not be eaten.

Mr. LOGAN. I think that what I have to say will rather prove the tendency indicated by the Senator from Louisiana.

It may be said that this suggestion is socialistic in its nature. Everything that deals with society necessarily is socialistic. I might say at this time, Mr. President, that I imagine I may lay claim to as great conservatism as anyone in the Senate. I am naturally that way, having been born and bred in the South, where we believe in the old conservative ideas. I disclaim any sort of radicalism in making these suggestions, which, it seems to me, if followed might lead to a solution of problems which appear at this time to be without solution.

It may be suggested that the plan proposed puts the Government deeper into private business, but that can hardly be admitted, as there would be no interference with the legitimate functioning of any private business. The plan would destroy all the incentive on the part of those engaged in gainful occupations to take from the public a greater sum than was actually fair for the protection of all. The result would be that business would adjust itself to the new conditions, and the money which has been taken from the public and centralized would be left with the public to be used

in acquiring those things which are needful for the happiness of the human race.

It is profitable to take a survey, brief though it may be, of the changing conditions during the past several hundred years.

With the collapse of the Roman Empire, the church found on its hands a large part of the political power of the western world. Its jurisdiction was both temporal and spiritual. Nearly everyone in the then western world, from the throned monarch to the helpless slave, was under the authority of the church at birth, and continued under its authority until he passed off the stage of action. The entire social scheme, according to the prevailing ideas at that time, was in accord with the will of God, and institutions of every kind rarely thrived without the protection and approval of the church. The church was the government, and it gave protection to its people.

The feudal system, in the early part of the medieval period, presented a political and social system with which we are well acquainted. All society was divided into classes, and each individual was entitled to the rights and privileges of his class. At the head was the king, but he was subject to the authority of the church. The feudal lords and barons were nominally responsible to the king. The stewards, or bailiffs, of these lords and barons came next in order, and in a class below them were the villeins, then the cotters, and lowest of all, the slaves.

The economic unit in the feudal system was the manor, presided over and supervised by the lord of the manor who resided in the manor house. The almost exclusive economic pursuit was agriculture, which was almost self-sufficient. The land belonged to the king, at least theoretically, and the lords were required to render certain services, usually military, to him for the use of the land. They exacted certain support from the villeins, who tilled the soil. The manner of tillage, rotation of crops, and all farming operations were regulated by the lords.

I will not go into this early economic history in detail. I have mentioned it only to indicate that after the Dark Ages and during the feudal period man was regulated by his government in the most minute details of his economic life.

From the final collapse of the Roman Empire to the Tudor dynasty in England the manorial system generally prevailed. The Crusades largely ended the feudal system. The crusading lords, in order to raise money, parted with some of their possessions and established free towns. Knowledge acquired in the Crusades opened up channels of commerce and changed the manners of the people of England, resulting finally in the disintegration of the feudal system.

While agriculture was the first industry of the people after the decline of the feudal system, yet the establishment of towns soon resulted in developing other pursuits. After the feudal system came the town governments. They became important, and generally they were controlled by guilds.

While there were many guilds in England, the two most important ones during the period in which the towns flourished were the Merchants' Guild and the Craft Guild. They regulated the economic life of the towns with as much strictness as the lords had regulated the economic life of the manors.

The Merchants' Guild was of ancient origin. It was made up of traders, those who bought and sold products. The Craft Guild was made up of manufacturers, crude though they may have been. They could produce and also sell, and for that reason they became more important than those who bought and sold. The craft and the craftsman made up the guild. Members consisted of masters, journeymen, and apprentices. The masters were required to observe the guild's rules as to the quality of produce, prices, and conditions of sale. These guilds were not national but municipal associations, and persons from other towns were regarded as foreigners.

There were elaborate regulations to guide the local guild members in the conduct of their trade and to protect the

townspeople against dealings regarded as unfair. Fines and penalties were provided for those who violated those regulations.

The value of a commodity was not a price made by the buyer and seller, but prices were determined and fixed by official authority. The fair price, or just price, fixed by such authorities resembled what we to-day describe as a cost-of-production price; and while costs were not determined competitively, they were relevant to a determination of a rate which would support the producer in a fashion becoming a member of the class to which he belonged.

Gradually certain forces appeared which led to a disintegration of the guild system. Among these forces were the inclosure of lands in England during the fifteenth and sixteenth centuries for sheep raising, a system which forced large numbers of rural inhabitants into the cities. The guilds became more exclusive in an attempt to keep out a large influx of rural workers, and the rural workers produced goods outside of the cities and marketed them surreptitiously in the cities. This weakened the guilds' monopolies and led the guild workers to emigrate outside of the towns to engage in the illegitimate marketing of goods below the guild prices, and in the sixteenth century Henry the Eighth confiscated all the communal property of the guilds in England used for religious and communal purposes.

Thus we see that during the guild period, as during the feudal manorial period—and the two were contemporaneous in many sections—the business man was closely regulated in his economic activities for the benefit of the producer and the consumer. The breakdown of the feudal and guild systems was accompanied by great political changes. The governments, particularly of England, greatly increased in power with the rise of joint-stock companies trading throughout the then known world, with their increased revenues.

The economic and social regulations, which had been the concern of the barons and towns, were assumed by the national authority, as is demonstrated during the sixteenth century by the regulation of apprenticeships, hours of labor, wages, prices, and provisions for caring for the poor by the English Government. These regulations have been described as mercantilistic, and these in turn led to colonization in an attempt by the western states to find an outlet for their goods so that they might maintain a surplus of precious metals over imports. Colonies were deemed especially necessary as a source of raw material which could not be produced at home and as a market for the finished products which were manufactured at home.

Under the mercantilistic theory the institutions of the state, the interests of the people, the personal interests of the king, and the will of God were all conveniently identified as being one and the same thing. It was the practice to regard the king as the guardian of social interests, and that, through him, industry was regulated, not according to the private desires of the individuals who were seeking to gain from the situation which existed but according to the requirements of the social good. With this growth of nationalism there was the consolidation of the influence of the nobility, the guilds, and the church and state organizations, with the continuation of the emphasis upon group or social interests as interpreted by superior authority. We in America know that it was not always easy for the individual to harmonize his personal interests, as he saw them, with the group interests, as conceived by the ruling authority.

Whether the constituted authority was the medieval church, the lords and barons, the guilds, or the national government, their authoritative regulations held in check the individual aspirations and ambitions of the masses of the people, but trade and commerce had given rise to a wealthy commercial class; and when the state regulations pressed too heavily on them, it was inevitable that some means would be found for challenging the authority of the king. These means were found in the Protestant Reformation, which furnished much philosophy for advancing the merchant-class ideas and interests. While beating down the power of the Catholic Church in England, the King had made the fatal mistake of stepping from royal to a personal

interpretation of the will of God, and there arose a host of religious sects presenting great varieties of interpretations with the idea that a man's faith was a personal relationship between himself and his God. Henceforth, the authority of the state or King could be defended effectively only when reasonable and existing institutions of government could be supported on the ground that they were in harmony with the divine scheme of things. What was the divine scheme became merely a matter of individual viewpoint, as George Washington and his army demonstrated on a hundred battlefields in the American Revolution.

Mercantilism shriveled and collapsed, and the Martin Luther of the new political and social order was Adam Smith with his famous book, *An Inquiry Into the Nature and Causes of the Wealth of Nations*, published in 1776. His explanation of how industry would operate if freed from mercantilistic regulations and left to the direction of the individuals in the pursuit of their self-interests, the "laissez faire" doctrine that the states should no longer interfere with the affairs of the individual, has provided an important part of the economic theory and practice from that day to this. According to this theory, all questions of hours of labor, wages, prices, provisions, care of the poor, and so forth, should be left to the individuals immediately concerned, for if every individual followed his self-interests he would receive the net worth of his desire, because his self-interest would not permit him to accept less, and the individual self-interests of others would not permit him to receive more.

Mr. President, I would emphasize that Adam Smith evolved his philosophy during a comparatively simple period of history when a man could acquire the control of the simple manufacturing instruments necessary to carry on industry during the handicraft stage, or could enter any industry which might be dictated by his interests and talents. He might appraise the value of a suit of clothes when he spun, wove, and made the clothes, but an entirely different situation is presented during the machine age when he may have no more to do with making the clothes than cutting a leg for the pants or sewing on a button. Under both the guild and handicraft, or domestic system, there was a substantial unity of interests between all workers, from the master to the apprentice, or between the man who supplied the raw material and the man who fabricated them, but under the factory system there was no such unity of interests. The instruments of production were controlled by the capitalistic owners who rarely, if ever, came into contact with the workers and who were not responsible in any manner for their support during sickness, unemployment, or old age. During the machine age the workers have generally resented the competition of more and more refined machinery. I have neither the time nor the inclination to enter into a discussion of these long struggles between capital and labor during many years of the factory system.

I merely pause here to invite attention to the writers on technocracy who have told us that an entire rayon factory can be made to run with only one man to attend to the electric switches, that newspaper type may be set simultaneously in a dozen or more cities, and that while the efficiency of factories is constantly increasing, the number of needed employees is constantly decreasing. Said an authority in *Harper's Magazine* for January, 1933, page 135, that:

One of the classic examples of the marvels of technological efficiency is the Smith plant at Milwaukee, which can, with 208 men, turn out 10,000 automobile chassis frames in one day. There are many, many more. The mechanical verifiers, sorting machines, automatic interpreters, and electrical tabulating machines . . . have almost reduced bookkeeping and accounting to a completely mechanical process. (I might inject here that the Congress of the United States has been a party to this process, for it now has in many of the departments and establishments of the Government these mechanical bookkeeping, sorting, etc., machines.) We have already spoken of the New Jersey rayon factory that will eventually require the services of but a single man. . . . The public is already well acquainted with the teletype in the telegraph offices. In much the same way the typesetter sets type automatically and simultaneously in any number of cities when a master keyboard is operated in one central place. . . . In a chain system of newspapers, the fate of the linotype operator is plain.

Again there is the photoelectric cell, popularly known as the electric eye, which can decimate the workers' ranks in scores of trades. It can detect the imperfections in cloth, it can sort articles of almost any description. The General Electric is now marketing a photoelectric cell which can be used for almost any sort of control purposes. Another application of the cell has just annexed the field of photo-engraving. Three-color plates are produced in half an hour instead of 36. It can operate over a telephone or telegraph wire at any distance.

The mechanical preparation and packing of groceries are well known. Cigarettes so blithely advertised as untouched by human hands can now be made at the rate of 2,000 or 3,000 per minute per man, where last year only 500 or 600 could be made. Technology has laid hands on the building industry, and factory-fabricated houses to be turned out in sections and put together by a pocket wrench are about to appear on the market, provided the depression doesn't first eliminate the market. Corporations may do their utmost to hold back inventions that threaten their existence, just as razor-blade manufacturers shudder at the thought of a blade, now in existence but never commercially produced, which will last a lifetime and costs 30 cents; but here and there, faster and faster, technology is breaking through the line.

The technological processes are going on all about us. The present depression has hastened the process. In order to dispense with labor, cut costs, increase output, and cheapen the price in a desperate effort to earn enough to keep their business going, industrialists have adopted almost every conceivable mechanical improvement. With the great rapidity with which they can make every article, the fewer men they need to do it, and as a consequence there are fewer purchasers with money to buy the products. Production reached its peak in 1929. Wherever mechanization has taken place, both the man hours and the energy required per unit have decreased. The same writer quoted above, in the same article, makes this further comment:

The flour-milling industry, for example, had 9,500 plants in 1899, which increased to a maximum of 11,700 mills in 1909, only to decline by 1929 to a meager 2,900 mills. The workers declined from 32,000 in 1899 to 26,400 in 1929. But while the number of plants and the number of workers declined, the amount of wheat ground increased from 471,000,000 bushels ground in 1899 to 546,000,000 bushels ground in 1929.

The steel industry produced 11,000,000 metric tons in 1900, requiring approximately 600,000,000 man hours. In 1929 the steel industry had a production of 58,000,000 metric tons, requiring only 770,000,000 man hours. In 1900 it required 70 man hours per ton, while in 1929 only 13 man hours per ton were necessary.

In 1904 in the automobile industry 1,291 man-hours were required to produce one vehicle. In 1919 the industry manufactured approximately 1,600,000 vehicles, requiring 606,409,000 man-hours, or 313 man-hours per vehicle. In 1929 the industry reached its peak of production; 5,600,000 vehicles were made, requiring 521,468,000 man-hours, or 92 man-hours per vehicle. In 1929 we produced 4,000,000 more automobiles than in 1919, with 84,000,000 fewer man-hours. Automobile manufacture required its greatest number of man-hours in 1919. Its high point of total employment was reached in 1923; both have declined continuously since that time.

But I am concerned with principle and not detail. Every man who has given thought to these problems knows what has taken place in every kind of industry. Increased mechanization has led to increased production with increased unemployment and decreased purchasing power on the part of those who must be depended upon to purchase the products of industry. Now we are confronted with want, misery, and hunger in a land of plenty. Factories are idle because purchasers are without money to buy their products. Farmers find it difficult to pay their taxes and to keep interest payments up on their homes, while their barns are filled with the fruits of the soil. Men and women, all eager to work, fill the streets and highways as they walk about searching for employment. The "laissez faire" system of Adam Smith, applied to the mechanized factory system of today, has broken down, even as the guilds and mercantilistic systems of other years broke down.

There is this difference, however. When the guilds and mercantilistic systems broke down, there were immense quantities of new lands rich in natural resources awaiting the coming of him who should till the soil. The surplus population found homes in these new lands and new opportunities where they could start life again. No homes were opened for those who had lost out in the struggle with the machine, but it was possible to shift from one industry to another. The new lands are now exhausted, and it is growing more and more difficult for other industries to absorb

those thrown out of employment by the mechanization of some industries. A writer in the *Political Science Quarterly* for December, 1932, said:

In the present industrial and agricultural situation, the effective use of modern machinery and technology is being impeded by the inherited institutional complex of free competition, bank credits, and fluctuating prices, with the concomitant social distress of unemployment and unnecessary poverty. We are endeavoring by all manner of expedients to avoid some of these difficulties and to remedy some of the defects, but it is evident that the onward march of technology will necessitate large-scale modifications in our institutional arrangements.

The expedients of reconstruction finance corporations, agricultural surplus controls, Federal home-loan banks, and such instrumentalities are but temporary. They are as powerless to stem the tide of the existing economic debacle as were the forces which attempted to restrain the feudal, guild, or mercantilistic systems. It appears that nothing in the way of forces to combat the present depression has brought satisfactory results. President Hoover appointed a research committee on social trends, and, after three years or more of diligent study of social problems, it reported a few weeks ago that—

There can be no assurance that violent revolution in America can be averted unless there be a more impressive integration of social skills and fusing of social purposes than is revealed by recent trends.

The work of this committee was made possible, as I understand, by a grant of funds by the Rockefeller Foundation. It is my information that the committee was headed by Dr. Wesley C. Mitchell, of Columbia University. I find this statement in the report:

It is improbable that the old order can be brought back or that it would be for the best interest of the younger generation to have it as it was. Under the old order every day we were drifting further into a sordid materialistic condition of affairs in which the spiritual element was wholly lacking. And, after all, the human race can not be said to be making any real progress unless it is along spiritual lines. This crisis gives us an opportunity, of which it is to be hoped we will take advantage. If we wish to continue our capitalistic civilization, we must make it less selfish and broader in its general scope.

A capitalistic civilization is the only kind we understand, and there is no need for us to drift into strange ventures, such as the Russians are not too successfully trying at present.

And yet, if we do not endeavor to improve conditions, so that in the future the general purpose will be higher than it has been in the past, the danger of a Lenin dictatorship will become more and more imminent.

Colonel House, in his statement that continuation of the present order will drift us into greater and greater danger of a Lenin dictatorship, is at one with the conclusions of President Hoover's Committee on Social Trends, when he says:

Unless there can be a more impressive integration of skills and fusing of social purposes than is revealed by recent trends, there can be no assurance that these alternatives, with their accompaniments of violent revolution, dark periods of serious repressions of liberties and democratic forms, the proscription and loss of many useful elements in the present productive system, can be averted.

No one could accuse Colonel House or President Hoover's Committee on Social Trends as being reds and socialists or with desire to destroy our capitalistic system. They would preserve it by modifying it to meet our present economic conditions. That system, as it now exists, is doomed and will pass as surely as the manorial, guild, and mercantilistic systems of other ages disappeared because they were not adapted to the changing requirements of the economic and social orders. Shall we, who are charged by the people with the responsibility of seeking a way out to preserve our institutions, waste our time and efforts in bootless experiments with expedients until our system topples about our ears and drags us all to destruction? As Colonel House says in his Liberty article:

It is bootless to say that this can not happen. Anything may happen in times like these. The minds of our people are in a ferment, and things which we would have declared impossible a few years ago are in actual process of coming about. One of the causes of unrest is the almost complete lack of confidence in our political and financial leaders. It is an unfortunate state of affairs, but unhappily it is one that actually exists. And there is reason for it. The theories and predictions that have been made,

and the advice that has been given, seem incredible in the light of subsequent events. In consequence, there are few political and financial anchorage spots left.

I charge that the existing economic practices have not only beggared the worker and the farmer with loss of confidence in political and financial leaders who permitted such practices to continue when the reasons for the laissez faire doctrine had long ceased to exist, but I charge that it has beggared capital itself. Let me illustrate by taking another extract from the writer in Harper's Magazine. Says he:

Consider, for example, the Ford Motor Co., which is the sole property of Mr. and Mrs. Ford and their son, Edsel. In 1930 the company had outstanding 172,645 shares of stock owned by these three persons, which yielded a profit of \$257 a share. Allowing for all the spinning wheels, antique furniture, and wayside inns in the world, how much can three persons spend of a single year's profit of over \$44,000,000? Obviously, not very much. The one thing possible is reinvestment, and the only possible place for reinvestment is production. This means that production must pay further interest and dividends. Year after year this reinvestment in stocks and bonds (which are, of course, mere shares in the debt owed by production) has demanded more and more interest on production.

In order to keep up with this mad business production has to increase at a compound interest rate in order to pay for the river of money being invested in it. This, of course, is impossible, and the result has been—this is not guesswork, but a statement proven by bleak and cold figures available to anybody—that debt has increased faster than production. The only way to maintain this debt (for neither the bankers nor anyone else expect it to be paid) is with continuously increasing sales of goods, and when debt increases faster than we have made the goods, which is exactly what has happened, we steadily approach a point where the whole concern goes to pieces. To pay our debts we have to borrow on our goods faster than we can make them. And all the while the rate of the debt increase is greater than the population increase so that each year we owe more than we did before, and next year we must owe more than we do to-day.

Let me cite another example in support of my point that the existing system is making a beggar out of capital. Stuart Chase, in his book *The New Deal*, says:

In the United States we have at the present time a shoe factory capacity of some 900,000,000 pairs a year. We buy 300,000,000 and could hardly wear out 500,000,000 pairs, yet new shoe factories, in normal times, are constantly being built. Bankers loan money to their promoters. The extension of the shoe business is held to be a cardinal requisite to progress, prosperity, employment. Meanwhile the existing shoe factories stand, on the average, two-thirds empty. The resulting appalling burden of overhead costs forces manufacturer after manufacturer into bankruptcy. And always will. We have the plant but can not make adequate use of it. Jam yesterday, jam to-morrow, but never jam to-day. Men want jobs, people want shoes, but men can not go to work in these all but empty factories. They can build new shoe factories in a boom and walk the streets in a slump. In addition to building the plant itself a favorite practice in recent years has been to devote the surplus to financing spirited selling campaigns and to pyramiding the financial structure through mergers, holding companies, and stock-selling promotions.

* * * Labor and management, supported by bankers and creditors, supported in turn by savings seeking profitable investment, go on rearing the capital structure to the skies. Look at the towers of Manhattan, look at the new mills of North Carolina, look at the new mechanized cotton farms of Texas. Virtually half of the investments in the United States in recent years is never put to work, while on all of it is snugly laid a blanket of indebtedness carrying a huge volume of fixed charges. The profitable investment demands a profit and rent and interest. But the underlying plant is increasingly incapable of earning a profit because of inadequate utilization.

If this brief and inadequate sketch of the economic systems since the medieval period is insufficient to lead the thinking man and woman to the conclusion that we must, governmentally, discard the remaining vestiges of the laissez-faire doctrine of Adam Smith, and return to a governmentally controlled system similar to that which has existed through most of the period since the Middle Ages, then nothing that I could say would accomplish that end. Unquestionably the economic world is now sick. I believe with Colonel House that we can not return to the old order of things, and I further believe that for the happiness and comfort of our children and our children's children we should not return if we could.

The suggestions I have made seek a middle ground between laissez-faire capitalism on the one hand and communism on the other. They seek to preserve a capitalistic society by limiting the returns which capital may take from

the enterprise engaged in interstate commerce, and this would force distribution of the balance between the consumer and the worker. Guided by business intelligence, the surplus earnings of industry would have to be distributed to the workers in the form of shorter hours, possibly in higher wages, and to the consumer in lower prices. This would increase employment, with little if any decrease in wages, and would in turn increase the demand for the products of the farm and factory. Capital could not take all the traffic would bear, all the excess earnings, and reinvest them in larger and larger plants, in more and more producers' goods as compared with consumers' goods. Instead of the earnings, in excess of the marginal wage, going to capital to be reinvested in useless plants which are a social and economic loss, for the most part, such earnings in excess of a fair rate of return would go to the worker and to the consumer, who would increase their standards of living, buy better homes, and who would use these excess earnings to much better advantage than the Fords, for instance, who can not possibly use their incomes from capital. To this extent, the plan is not unlike the results obtained by the guilds, except that instead of fixing prices the amount of profit is fixed. Prices are left to be fixed, as they now are, by the cost of production, competition, and demand and supply. Even if the Constitution should be modified to permit it to be done, I do not think that in this complex age a government could successfully fix prices of commodities.

Contributory to this basic idea the plan provides that a certain percentage of the net income of industry engaged in interstate commerce should be set aside and invested in Government securities—National, State, and municipal—to be used as an unemployment fund during periods of business recession. During the prosperous years industry could build up an employment fund to tide it over the lean years, and to this extent the proposal differs from the recapture clause of the interstate commerce act, sustained by the Supreme Court of the United States in two cases, which does not permit the balancing of excess earnings of prosperous years against deficits in lean years, with the result that we have the railroads of the country in a very bad condition, with the Reconstruction Finance Corporation dishing out the public credit to the railroads, including those which have had excess earnings in prosperous years, in an attempt to tide them over the danger of bankruptcy. Such a scheme would eliminate the pressing demand for unemployment insurance, old-age pensions, and the dole.

The limitation of the amount of profit capital could take from interstate industry will tend to eliminate unfair methods of competition for which we are now spending large sums of public money in largely abortive corrective attempts. Wasteful and uneconomic advertising and selling campaigns would be largely eliminated. After I had considered these things there came to my attention an extract from the report of President Hoover's research committee, which expresses my thought on this point in the following words:

We devote far more attention to making money than to spending it, and the buying public is confronted with high-pressure salesmanship, installment-selling propaganda, and other sales tactics adopted by competitors in business to get their share of the consumer's dollar.

The profit motive has led to this turn of affairs. By reducing the profit motive to not exceeding a fixed return, the buying public will not be so largely confronted with so much sales propaganda. At the same time combines will be made possible in the interest of economic production without fear on the part of the consumers that such combinations would result in increased prices due to monopolies. In my judgment, the Granger movement, culminating in the Sherman Act, while necessary at the time to curb ruthless capital protected under the fetish of laissez faire, went too far, to the detriment of both capital and consumers, by preventing combinations necessary for reduction of the cost of production. Under this plan all these questions will be eliminated from our economic life as concerns interstate commerce.

The devotee of laissez faire will doubtless condemn this bill on the ground that it is unfair to capital. He would

prefer, doubtless, that the capitalistic system be wrecked than that we revert to a modified form of controlled capitalism which served mankind for centuries. There is no hope of convincing those who firmly hold such opinions, but I would call attention of the country to the undoubted fact that the Federal Government has, in the past, limited the return to capital by taking, in the form of taxes, all of the income in excess of a certain percentage. Through taxation the Federal Government could doubtless take all profit from industry, whether or not engaged in interstate commerce, but such unreasonably high taxes imposed on capital is no solution to the economic problems confronting us to-day.

Aside from the fact that I am not one of those who believe that the burden of taxation should be borne by the few; such a form of taxation leads to extravagance, favoritism, and waste in governmental expenditures. It also leads to the taking of money from productive enterprises until finally we reach the situation we are in at present, when the Government is the only organization which can command the funds for enterprises, and we have the spectacle of Government credit being loaned, or, in the end, given to private industry. The burdens of government should be borne by all in proportion to their benefits from government, and in all cases the citizen should pay some amount of taxes to help support his government. Moreover, as I have heretofore pointed out, the difference between limiting the returns to capital, by taking all above a certain amount in the form of taxes for nonproductive enterprises, and my plan of forcing the distribution of the excess above a certain amount among the workers and the consumers is as broad as the Atlantic Ocean.

Granted that our economic system is out of joint; that there is the gravest danger both to capital and our Government in the present plan of drift, and that something should be done about it, I realize that my plan will meet with objections from some quarters. The man who points out the dangers and urges that something be done about it has the advantage of the man who offers a specific plan. Yet, as I have said, I offer this plan to the country at this time that it may give it thought, offer both constructive and destructive criticism during the coming months, and when we enter on the next session of Congress I hope that it may be taken up for action.

There is one further thought I wish to mention at this time. Shortening the hours of labor, distribution of a larger share of the earnings of industry to the consumers and workers, and the establishment of unemployment funds can not be accomplished through voluntary action on the part of capital. Mr. Edward A. Filene, the distinguished Boston merchant and philanthropist, writing for the New York Times of January 1, 1933, urged that capital adopt a shorter work day and a shorter work week with no reductions in wages; in other words, that capital voluntarily give the workers a greater share of the net earnings of industry, on the ground that such action on the part of capital would not only cure the existing depression, but would tend to prevent future depressions. He did not mention unemployment insurance or old-age pensions, presumably on the theory that the Government should continue to care for the needy and the aged, with capital bearing only a share instead of all the expense of such care. Said he:

The admitted hitch in this plan lies in its requirement of concerted action. Big business must lead the way if little business is to follow. But there is no reason why big business should not be expected to lead the way. It has become big business by leading the way. We have a right to ask that it be big in some other respects than in its total capitalization, or the total number of acres of space in its combined plants.

Mr. Walter C. Teagle, the able and conscientious president of the Standard Oil Co. of New Jersey, very unselfishly and patriotically has temporarily deserted his business in an attempt to secure the voluntary adoption by industry of the share-the-work movement, a movement designed to secure the voluntary adoption by industry, for the period of the depression, of the shorter work day and the shorter work week. The work of Mr. Teagle has been good, and I, for

one, give him all honor for the results. But we all know that the unemployment situation has grown worse.

As Mr. Filene has well said, "The hitch in this plan is its requirement of concerted action," and, I might add, voluntary action. It can no more succeed without compulsion on the part of the Government than could the regulation of the hours of industry, the rate of wages, and so forth, succeed during the guild and mercantilistic periods without the compulsory action of superior authority. Undoubtedly there are many others in big business who think with Mr. Filene and Mr. Teagle, and their plans would have been adopted long ago but for the force of competition. There must be interposed the strong arm of the law to assist the good industries in bringing about reforms in our present competitive capitalistic structure which they can not accomplish unaided. Their unscrupulous competitors must be compelled to follow a minimum order of things for the good of the social order. I appreciate the fact that the blundering of Government in business in recent years gives no assurance that a Government-controlled economic system will always be enlightened, but I have hopes that under my plan business men will take the same interest in good government as was taken by the guild leaders of another period.

The adoption of a 6-hour day and a 5-day week, without the distribution to the workers and consumers of a greater share of the earnings of industry, will not correct the existing evils, though it is possible that it would greatly mitigate them. But, even if such a shorter workday and work week were desirable, there is, in my opinion, no possibility of its acceptance through voluntary action on the part of industry. Human greed will prevent it. There is likewise, in my judgment, no constitutional power in the Federal Government for a law requiring its adoption. The hours of work are a matter of contract between the employer and the employed, and, under our Constitution, there can be no such interference with the matter of contract. Of course, the Constitution might be amended, after several years, to authorize the adoption of such a law, but I fear that it would then be too late.

This Nation came into being largely because of the necessity to regulate interstate and foreign commerce. Article I, section 8, of the Constitution expressly gave the Congress unlimited power to regulate such commerce, and under that power I propose that the Congress shall deny the right to engage in interstate or foreign commerce to any corporation, individual, or association for profit that is not incorporated under Federal law, and, as an incident of that incorporation, I propose to limit the amount of the net earnings that capital may take from industry and to require that a certain percentage of the net earnings be set aside each year as an unemployment fund. Having regulated industry in these two respects, I believe that capital, or the entrepreneurs in charge of capital operations, may be left free to divide the balance of the earnings between labor and the consumer.

The penalty for failure to observe these requirements would be the forfeiture of the Federal charter and consequent denial of the right to engage, or ship products, in interstate or foreign commerce. The plan does not provide for the establishment of commercial tribunals to enforce these requirements or to determine disputed questions as to cost of reproduction of plant, distribution of earnings, and so forth. I believe that the existing machinery of the law may be sufficient to enforce these requirements on industry where the buccaneers will be watched by competitors, by labor, and by consumers, even as under the guild and mercantilistic systems. If experience should prove that special tribunals are necessary, we can then establish them.

Mr. President, the suggestions which I have made are rather crude I know. I believe the time has come when it is of the utmost importance that we deal sincerely and intelligently with the many grave questions that confront the country on every hand. Business is about destroyed. Industry is prostrated. If we are going to bring business back again, then we ought to start out on a better foundation than that on which we builded before. We ought to plant the recovery and the new business on a solid rock, so that

there may never again occur the same things that we see in the country, which have been continuing for the last few years and which will continue probably for many years to come.

I do not believe we are even approaching or nearly approaching the end of the depression. I do not believe that we need expect that we will find some solution that will bring prosperity to us again within the next six months or the next year or probably in the next few years. We have a long, hard fight before us. If we fight valiantly, using the wisdom that we have, using the experiences of the past, if we go back far enough and make a study of all governmental problems, I have hopes that again we may make America what she has been in the past and what she ought always to be, and that is the greatest nation in the world. But if we hesitate much longer, if we wonder how we are going to find a way out, and stand and wait patiently for some fairy to come to us and whisper that if we will follow a certain road it will lead out of the morass and on to safe ground—I am afraid if we wait for something of that kind that the prophecies which have been made by many wise men that destruction is not far away may be fulfilled.

Mr. President, I do not know whether the suggestions I have made contain any very great merit, but I am hopeful that somebody will bring forward a suggestion that at least will hold out some hope that the people are not going to have to endure much longer a continuance of present conditions. We take too much time with little things. We do not view the entire canvas. We do not survey the entire horizon. We circumscribe our vision. I think that we must give our combined judgment to a consideration of the questions that affect our entire country and the entire world. We can no longer live by ourselves alone, neither in the community, in a State of our Union, or in our Nation itself. We must live as a part of this great world that is so closely interwoven that we can not any longer say we will live alone.

LIMITATION OF WORKING HOURS

Mr. BLACK. Mr. President, in line with the very thoughtful and interesting discussion just presented by the Senator from Kentucky [Mr. LOGAN] I desire to send to the desk and have read a letter from Mr. Joseph Berlinger, of 1333 Broadway, New York, touching to some extent upon the same subject. I ask unanimous consent that it be read.

The PRESIDING OFFICER (Mr. Fess in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

NEW YORK, N. Y., February 20, 1933.

Senator BLACK,

United States Senate, Washington, D. C.

DEAR SENATOR: Being a strong believer in your proposed bill to prohibit interstate shipments of goods produced by persons employed more than 5 days a week or 6 hours a day, I take the liberty of calling your attention to the condition that exists in the silk industry.

This industry, in spite of the general depression, has continued to enjoy as great a yardage consumption as in its most prosperous years. The producers, however, who have been running their mills from 54 to 60 hours a week and a great many running their looms on a day and night shift, have created such a condition that in spite of a continuously active demand they are actually forced to sell their production at cost or below cost with the result that 95 per cent of the manufacturers are virtually in bankruptcy.

Nothing, in my opinion, would bring back confidence and prosperity quicker than your bill to limit working hours. It would put back to work at least 5,000,000 people who are now unemployed. This would enable the producer to sell goods at a profit instead of a loss by eliminating overproduction.

To illustrate how other countries attempt to spread employment:

On a recent trip to France a friend of mine who is an exporter in Paris (not a producer) was fined 3,000 francs by the government for having worked two nights merely shipping merchandise.

All kinds of remedies have been suggested. These have been fruitless clutchings at a straw. It is my firm belief that nothing will end this depression or bring back prosperity quicker than the spreading of employment which your bill, by the restriction of working hours, offers. It will give the struggling merchant an opportunity to sell his product at a profit rather than at cost or at a loss.

I am at a loss to understand why there has not been more emphasis given to this movement and sincerely hope your bill will receive the consideration that it so richly merits.

Yours very respectfully,

JOSEPH BERLINGER.

ENROLLED BILL SIGNED

The VICE PRESIDENT announced his signature to the enrolled bill (H. R. 7522) to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code, which had previously been signed by the Speaker of the House of Representatives.

REPORT OF THE ARCHITECT OF THE CAPITOL (S. DOC. NO. 189)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, transmitting the annual report of the operations of his office for the fiscal year ended June 30, 1932, which, with the accompanying report, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

CROP LOANS TO FARMERS—PUERTO RICO

The VICE PRESIDENT laid before the Senate a telegram from the Speaker of the House of Representatives of Puerto Rico, which was ordered to lie on the table and to be printed in the RECORD, as follows:

SAN JUAN, P. R., February 21, 1933.

Hon. CHARLES CURTIS,

President United States Senate, Washington, D. C.:

The House of Representatives of Puerto Rico requests that you exercise your efficacious influence to have the provisions of S. 5160, providing for crop loans to farmers during the year 1933, made extensive to Puerto Rico, in view of the urgent need thereof felt by the agriculture of the island.

MIGUEL A. GARCIA MENDEZ,

Speaker House of Representatives of Puerto Rico.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to change the laws governing officers' retirement pay so that no such pay will be allowed to anyone who receives a salary or other income of \$4,800 or more, and that the money thus saved be used to pay the soldiers' bonus in cash to veterans who are unemployed and in dire need, which was ordered to lie on the table.

(See joint resolution printed in full when presented to-day by Mr. LA FOLLETTE.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the common councils of the cities of New Britain and Stamford, Conn., the council of the city of Northampton, Mass.; the City Commission of Pontiac, Mich.; and the City Council of Charleston, S. C., favoring the passage of legislation authorizing the Postmaster General to issue a special series of postage stamps of the denomination of 3 cents commemorative of the one hundred and fiftieth anniversary of the naturalization and appointment as brevet brigadier general of the Continental Army of Thaddeus Kosciusko, a hero of the Revolutionary War, on October 13, 1783, which were referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a letter in the nature of a petition from W. D. Chambers, of Muncie, Ind., praying for an amendment to the Constitution reducing the number of Senators from 96 to 24 and the number of Representatives in Congress to 100, the Senators to be chosen by eight different geographical groups of States of the Union, etc., which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the United Front Anticommissary Plan Conference under the auspices of the Unemployed Councils of the City of Philadelphia, Pa., opposing all proposals to create military forced labor camps for the youth of the Nation, and favoring the establishment of a system of Federal unemployment insurance and the making of appropriations for immediate cash relief for the unemployed without discrimination as to age, sex, or color, which were ordered to lie on the table.

He also laid before the Senate the petition of Hy C. and Adam Schmidt, of Slaughter, and sundry citizens of the State of Louisiana, praying for a continuance of the investigation of the Louisiana senatorial election of 1932 and the necessary allotment of money therefor, by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial

candidates in 1932, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a telegram from the Women's Independent Voters Club of New Orleans, La., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate and ordered to be printed in the RECORD, as follows:

NEW ORLEANS, LA., February 21, 1933.

Vice President CHARLES CURTIS,

United States Senate, Washington, D. C.:

In order to further unquestionably fair elections in the future in Louisiana and believing that much additional evidence can be procured from all parts of the State the Women's Independent Voters Club of New Orleans urges you to make it possible to continue the investigation of the Overton-Broussard election.

WOMEN'S INDEPENDENT VOTERS CLUB.

The VICE PRESIDENT also laid before the Senate 13 telegrams of similar tenor to the above from sundry citizens and organizations in the State of Louisiana, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate letters in the nature of memorials from Louis P. de la Croix, and also Frank H. Perilloux, president the Louisiana Democratic Club of the Eighth Ward, and sundry members of that organization, all of New Orleans, La., remonstrating against a continuance of the investigation of the Louisiana senatorial election of 1932 and the spending of additional money therefor by the special committee of the Senate to investigate campaign expenditures of the various presidential, vice presidential, and senatorial candidates in 1932, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a telegram from J. E. Ray, of Alexandria, La., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate and ordered to be printed in the RECORD, as follows:

ALEXANDRIA, LA., February 22, 1933.

HON. CHARLES CURTIS,

Vice President and President of the United States Senate:

As a nonpartisan business man, the first week's investigation in New Orleans confirms my conviction of the honest and legitimate election of Mr. OVERTON to United States Senate not even claimed by Senator BROUSSARD. Further investigation will entail useless expenditure, will multiply discord and personal feeling, and cause business disturbances in Louisiana that years will not overcome.

J. E. RAY.

The VICE PRESIDENT also laid before the Senate 300 telegrams of similar tenor to the above from sundry citizens and organizations in the State of Louisiana and one citizen in the State of Texas, which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution relating to officers' retirement pay allowed by the Federal Government to persons receiving large salaries and to payment of the soldiers' bonus to veterans in need

Whereas under the present Federal laws a great many persons with large salaries are drawing large amounts as officers' retirement pay in addition to their salaries; and

Whereas many of ex-service men are in dire need because unemployed: Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to change the laws governing officers' retirement pay so that no such pay will be allowed to anyone who receives a salary or other income of \$4,800 or more, and that the money thus saved be used to pay the soldiers' bonus in cash to veterans who are unemployed and in dire need; be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

THOS. J. O'MALLEY,
President of the Senate.

R. A. COBBAN,
Chief Clerk of the Senate.

C. T. YOUNG,
Speaker of the Assembly.

JOHN J. SLOCUM,
Chief Clerk of the Assembly.

Mr. COPELAND presented the memorial of Alma J. Leet, of Hartfield, N. Y., remonstrating against the repeal of the eighteenth amendment of the Constitution, and favoring the maintenance and enforcement of the prohibition laws, which was ordered to lie on the table.

He also presented resolutions adopted by Steve Katouis Branch, International Labor Defence, of New York City, N. Y., opposing all proposals to create military forced labor camps for the youth of the Nation, and favoring the establishment of a system of Federal unemployment insurance and the making of appropriations for immediate cash relief for the unemployed without discrimination as to age, sex, or color, which were ordered to lie on the table.

Mr. WALSH of Massachusetts presented a petition of 230 citizens of Springfield, Mass., praying for the passage of legislation to reevaluate the gold ounce and for the elimination of abuses connected with mass production, which was referred to the Committee on Banking and Currency.

He also presented a memorial of sundry citizens of Lowell, Mass., remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the Volstead Act, which were ordered to lie on the table.

EMBARGO ON SHIPMENTS OF ARMS AND MUNITIONS OF WAR

Mr. WALSH of Massachusetts. Mr. President, I present and ask leave to have printed in the CONGRESSIONAL RECORD, and appropriately referred, a letter and resolutions received from the secretary, and so forth, and board of directors of the American Unitarian Association of Boston, indorsing Senate Joint Resolution 229, in re the prohibition of shipments of arms and munitions of war abroad.

There being no objection, the letter and resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

BOSTON, MASS., February 15, 1933.

HON. DAVID I. WALSH,

Washington, D. C.

MY DEAR SENATOR WALSH: I am writing you because I am much interested in the arms-embargo resolution which was introduced in the Senate by Senator BORAH, chairman of the Foreign Affairs Committee, and I understand was passed by the Senate, but on motion of Senator BINGHAM, of Connecticut, is up for reconsideration. A similar resolution, as you undoubtedly know, House Joint Resolution 580, is before the House at the present time.

As a citizen of Massachusetts, may I express to you my personal hope that you will be able to give this matter your careful consideration and that you may see your way clear to give it your hearty support when it comes before the Senate for action?

You may be interested to know that at a meeting of the board of directors of the American Unitarian Association held yesterday the inclosed resolution was adopted unanimously. This association is the central body of our denomination in this country.

Sincerely yours,

ROBERT C. DEXTER.

Resolved, That the board of directors of the American Unitarian Association hereby records its approval of House Joint Resolution 580, giving the President power to declare an embargo on shipments of arms and munitions of war to countries where such shipment "might promote or encourage the use of force in the course of a dispute or a conflict between nations"; be it further

Resolved, That copies of this vote be sent to Chairman BORAH, of the Senate Foreign Relations Committee, and Chairman McREYNOLDS, of the House Foreign Relations Committee, also to President Hoover and Secretary of State Stimson, and that copies of this resolution be given to the press; be it further

Resolved, That in case this bill does not come to a vote in the present Congress that the officers of this association be authorized to support similar legislation in ensuing Congresses, and to take such steps as are necessary to see that our attitude is made known to Representatives in such Congresses.

THE BOSTON NAVY YARD

Mr. WALSH of Massachusetts. Mr. President, I present for printing in full in the RECORD, under the rule, and to be appropriately referred, resolutions of the House of Representatives of the General Court of Massachusetts, memorializing Congress in opposition to a proposed closing in whole or in part of the Boston Navy Yard at Charlestown, Mass.

The resolutions were referred to the Committee on Appropriations, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Boston, February 17, 1933.

Resolutions memorializing Congress in opposition to proposed closing in whole or in part of the Boston Navy Yard at Charlestown

Whereas the Boston Navy Yard was long since established as one of the ports of our national defense; and

Whereas said navy yard employs upward of 2,000 persons, whose families rely upon the employment in said navy yard; and

Whereas conditions of unemployment are creating extreme hardship and suffering in this Commonwealth; and

Whereas such hardship and suffering would be greatly aggravated in the event of the closing in whole or in part of the said navy yard; and

Whereas the resultant wholesale discharge of said employees would throw them and their families upon the Government, thus requiring increased welfare appropriations: Therefore be it

Resolved, That the House of Representatives of the General Court of Massachusetts opposes any policies that involve the closing, in whole or in part, of the Boston Navy Yard, and protests against any action by the Secretary of the Navy or the Congress of the United States which will affect as aforesaid the said navy yard; and be it further

Resolved, That copies of these resolutions be forwarded at once by the secretary of the commonwealth to the President of the United States, to the Secretary of the Navy, to the chairman of the House Naval Affairs Committee, and to the Senators and Representatives in the Congress of the United States from this Commonwealth.

FRANK E. BRIDGMAN, Clerk.

A true copy.

Attest:

F. W. COOK,

Secretary of the Commonwealth.

THE ARMED FORCES OF THE UNITED STATES

Mr. DAVIS. Mr. President, on behalf of my colleague and myself, I ask leave to have inserted in the RECORD and appropriately referred a senate concurrent resolution adopted by the General Assembly of Pennsylvania, memorializing Congress to refrain from enacting legislation which would decrease the strength and effectiveness of the armed forces of the United States.

The concurrent resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

IN THE SENATE OF PENNSYLVANIA,
February 13, 1933.

Whereas the present Congress of the United States is considering, under the guise of economy, the radical cutting of appropriations for the support of the Army, Navy, and Marine Corps of the United States, and of the National Guard of the several States; and

Whereas the Army is at present pitifully insufficient for the defense of our mainland without regard for our insular possessions; and

Whereas the Navy is far below the standard decided upon as necessary for the safety of the United States and agreed to by the Powers in a far less unsettled time; and

Whereas the Marine Corps, although small, has proven for more than a century the most mobile and effective police force in any national or international emergency this Nation has ever had; and

Whereas through Federal aid and supervision the National Guard has risen to a point of efficiency heretofore unknown; and

Whereas no reasoning person can believe in pacific safety in the face of existing facts. Every peace pact, treaty, or League of Nations action has proven and is at present proving futile and useless to turn any nation from a policy of aggrandizement; and

Whereas events within the last 20 years have proven the futility of preserving the neutrality of the United States in the event of a major conflict; and

Whereas the existing national and international debts are the result of past unpreparedness, and existing brawl over the collection thereof the result of present unpreparedness; and

Whereas the voice of the United States in the interests of universal peace is respected only in proportion to its existing and active power; and

Whereas the effects of the present economic chaos on the governments of the world have conclusively proven that only strong, well-sustained governments can survive: Therefore be it

Resolved (if the house of representatives concur), That the Senate and House of Representatives of the 1933 session of the General Assembly of the Commonwealth of Pennsylvania hereby memorializes the present Congress of the United States to refrain from taking any action for the purpose of economy or other purpose that will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof.

The foregoing is a true and correct copy of the resolution adopted by the senate February 20, 1933, and concurred in by the house of representatives February 20, 1933.

E. C. SHANNON,

President of the Senate of Pennsylvania.

JOHN E. MCKIRDY,

Chief Clerk of the Senate.

E. F. WHITE,

Chief Clerk of the House of Representatives.

[SEAL.]

REPORTS OF COMMITTEES

Mr. HEBERT, from the Committee on Patents, to which was referred the bill (S. 5075) to provide protection by registration of designs for textiles and other materials, reported it with amendments and submitted a report (No. 1280) thereon.

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6684) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do, reported it with amendments and submitted a report (No. 1281) thereon.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY

As in executive session,

Mr. BORAH, from the Committee on Foreign Relations, to which was referred a treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed at Washington on July 18, 1932, reported it favorably with a reservation.

The VICE PRESIDENT. The treaty will be placed on the Executive Calendar.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on the 22d instant that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 4065. An act authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages;

S. 4589. An act to authorize the Secretary of the Interior to make payment of part of the expenses incurred in securing improvements in drainage project of drainage district No. 1, Richardson County, Nebr., and for other purposes;

S. 4756. An act to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians;

S. 5339. An act to authorize the Secretary of War to convey certain properties to the county of Arlington, State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes;

S. 5370. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 5588. An act authorizing the acceptance of title to sites for public-building projects subject to the reservation of ore and mineral rights;

S. 5659. An act authorizing the State of Georgia to construct, maintain, and operate a toll bridge across the Savannah River at or near Lincolnton, Ga.;

S. J. Res. 237. Joint resolution authorizing the erection in the Department of State Building of a memorial to the American diplomatic and consular officers who while on active duty lost their lives under heroic or tragic circumstances; and

S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan American Medical Association which holds its convention in the United States in March, 1933.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 5684) to authorize the Comptroller General to allow claim of district No. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; to the Committee on Indian Affairs.

(Mr. DILL introduced Senate bill 5685, which appears under a separate head.)

By Mr. TOWNSEND:

A bill (S. 5686) to protect depositors in national banks, to regulate the withdrawal of deposits in such banks in certain cases, and for other purposes; to the Committee on Banking and Currency.

CONSOLIDATION OF FARM-LOAN AGENCIES—FARM MORTGAGES

Mr. DILL. I introduce a bill and ask that it may be referred to the Committee on Agriculture and Forestry.

The bill (S. 5685) to provide for the refunding of farm and home mortgages, making loans to farmers, issuance of agricultural bonds, the deposit of Government funds, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

Mr. DILL. Mr. President, I desire to say merely a few words about the bill.

The PRESIDENT pro tempore. The Senator from Washington is recognized for that purpose.

Mr. DILL. Mr. President, in these hard times high interest rate mortgages on farms and homes are the greatest burden and handicap to the recovery of prosperity.

Of course, the first necessity for restoring prosperity is the raising of prices for commodities so the producers will make a profit and be able to buy new goods. But even after that has been brought about it will be impossible for most of the farmers and home owners to free themselves from the debt octopus unless interest rates come down.

For this purpose I have prepared this bill, Senate bill 5685, and had it referred to the Senate Committee on Agriculture.

If Congress will enact this bill into law it will:

First. Bring under one control all of the different farm-loan agencies of the Government now operating through several different departments and organizations, and thereby greatly reduce the expenses of these loan operations.

Second. Make possible the exchange of the present high-rate interest mortgages and farm-loan bonds for Government-guaranteed bonds and reduce the interest rate on farm mortgages to 3 per cent by refinancing existing mortgages.

Third. Provide abundant funds for loans for livestock and crop production at 3 per cent interest.

Fourth. Enable bona fide home owners to refinance the mortgages on their homes at 3 per cent interest.

Under this plan the Government will simply lend its credit to the farmers and home owners by selling 2 per cent bonds to raise the necessary funds for this purpose. This will lift the burden of expenses for administration from the taxpayers and place it on those who receive the benefits.

The difference in interest of 1 per cent will easily pay all costs of administration. If it is found that this 1 per cent rate brings in more money than is needed for administration Congress can later lower the interest rate to farmers.

Under present conditions, the holders of farm-loan bonds and mortgages will be glad to exchange them for Government-guaranteed bonds at the lower interest rate.

Not only is this legislation highly desirable for the present emergency, but it will establish a sound, permanent policy for credit to farmers and home owners.

It will stabilize the values of real estate and real-estate values are after all the basis of the Nation's credit structure.

METHOD OF CALLING CONVENTIONS IN THE STATES

Mr. KEAN submitted a resolution (S. Res. 368), which was ordered to lie on the table, as follows:

Resolved, That the Attorney General is requested to furnish to the Senate as soon as practicable an opinion with respect to the proper method to be followed in the calling of conventions in the several States for the purpose of ratifying or rejecting the proposed amendment to the Constitution of the United States contained in the joint resolution (S. J. Res. 211), of February 20, 1933, entitled "Joint resolution proposing an amendment to the Constitution of the United States," giving particular consideration to the question as to whether provision should be made for such conventions by enactment of the Congress or by legislative action of the several States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 43) correcting an error in the enrollment of the bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict;

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated;

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army; and

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

IMPORTATIONS OF CUT FLOWERS

Mr. WAGNER. Mr. President, I ask unanimous consent to offer and have considered immediately a resolution which simply provides for an investigation by the Tariff Commission of the difference in cost of production of a domestic and a foreign commodity.

Mr. KING. What is the commodity?

Mr. WAGNER. Cut flowers.

Mr. KING. I shall not object to the consideration of the resolution, but I shall vote against it, because I think it is wholly unwise at this time, and that an investigation would furnish no basis for any legislative action by Congress.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent to present a Senate resolution. Is there objection?

Mr. McNARY. Let the clerk report the resolution.

The PRESIDENT pro tempore. The resolution will be reported for the information of the Senate.

The resolution (S. Res. 369) was read, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Cut flowers, fresh, classified under paragraph 753 of such act.

The PRESIDENT pro tempore. The Senator from New York asks further unanimous consent for the present consideration of the resolution.

Mr. SMOOT. Mr. President, I want to say that quite a number of similar resolutions have been offered, and I expect to hold a meeting of the Committee on Finance in a very few days, when we will decide whether all the resolutions shall be reported or not.

Mr. WAGNER. I am simply asking for an inquiry. I am not asking for any decision on the subject. I hope the Senator from Utah will not object.

Mr. SMOOT. I shall not object.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

PRODUCTION COSTS OF COTTON FISHING NETS AND NETTING

Mr. AUSTIN. Mr. President, I ask for the consideration of Senate Resolution 361, directing the Tariff Commission

to investigate the production costs of cotton fishing nets and cotton fishing netting.

Mr. KING. I shall not object to the consideration of the resolution, but I want to give notice now that when further requests are made for the consideration of such resolutions I shall ask their reference to the Committee on Finance.

The PRESIDENT pro tempore. The Chair is informed that this resolution has already been referred to the Committee on Finance, and the first action for the Senator from Vermont will be to move that the Committee on Finance be discharged from the further consideration of the resolution.

Mr. AUSTIN. I make that request.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Senator from Vermont asks for the present consideration of the resolution.

The resolution was considered by unanimous consent, and it was agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby authorized and directed to investigate for the purpose of section 336 of the tariff act of 1930 the differences in cost of production between the domestic article or articles and competitive foreign article or articles, and to report at the earliest practical date on the following items:

Cotton fishing nets and cotton fishing netting, classifiable under paragraph 923 of the tariff act of 1930.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion.

CLARENCE R. KILLION—CONFERENCE REPORT

Mr. REED submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following: "back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act"; and the House agree to the same.

DAVID REED,

DUNCAN U. FLETCHER,

Managers on the part of the Senate.

LISTER HILL,

NUMA F. MONTET,

B. M. CHIPERFIELD,

Managers on the part of the House.

Mr. REED. I move the adoption of the conference report. The report was agreed to.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14458) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

Mr. DICKINSON. Mr. President, is the bill still open for general amendment?

The PRESIDING OFFICER (Mr. Fess in the chair). Without objection, let the Chair state first the clerks will be authorized to make corrections of the totals. The bill is still open for amendment.

Mr. SMOOT. Mr. President, if the Senator from Iowa will permit me before he proceeds, I notice on page 37 the Printing Office has made a mistake in arranging the printed lines. There is apparently a transposition of the lines.

Mr. ROBINSON of Arkansas. The printers have merely transposed the language?

Mr. SMOOT. Yes; in several places.

The PRESIDING OFFICER. The Chair will state that the correction has been made by the clerks at the desk.

Mr. SMOOT. Very well; I merely wished to be sure that the correction is made.

Mr. DICKINSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, line 2, "Valuation of property of carriers," strike out the numerals "\$2,313,542" and insert in lieu thereof "\$1,750,000."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa.

Mr. DICKINSON. Mr. President, this relates to the valuation of the property of carriers by the Interstate Commerce Commission. The item has been carried in the bill since 1913. There has been spent on this work about \$50,000,000, in round numbers. I remember in 1923 and 1924 there was a promise that the commission was going to formulate a plan by which to complete the work. I can cite the promises they made in 1928 that they would complete the work in three years. Now they are promising again to complete it in three years. They suggest if given this amount of money this year they will want only \$1,750,000 next year. I think the only way we will get the reduction is to make the reduction now and keep the amount reduced. I hope the Senator from Utah will consent to the amendment.

Mr. SMOOT. Mr. President, if the Senator will yield—

Mr. DICKINSON. Certainly.

Mr. SMOOT. The appropriation referred to by the Senator under the subheading "Valuation of property of carriers" was discussed by the Subcommittee on Appropriations. The commission takes the position that the valuation of the property of the carriers ought to be completed at the very earliest date possible. I know that what the Senator says is true—that it seems almost an interminable proposition. I hope the Senator will not insist on the amendment at this time. I think the provision will virtually take care of the work now with the exception, perhaps, of a very small appropriation next year.

Mr. DICKINSON. If the Senator is relying upon what has been presented to the committee, let me say to him that I have very carefully read the hearings before the House committee. I want to go back to 1926 in the House hearings in a statement by Mr. Lewis:

Mr. Chairman and members of the committee, on December 31, 1924, appearing before this committee I laid before you two proposals. Both dealt with the same subject—the completion of the long-drawn-out work of the primary valuation of steam, telegraph, and sleeping-car carriers. This was a so-called 3-year program, which was accepted and on which we are now engaged.

Now we have another 3-year program. I want to say to the Senator from Utah that unless we cut down the amount, we will have another 3-year program next year, and another one the following year, and still another one the year after that.

Mr. SMOOT. Mr. President, I would like to go into it a little more fully. I think I had better accept the amendment and let it go to conference.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Iowa yield for that purpose?

Mr. DICKINSON. I yield.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Borah	Carey	Dickinson
Austin	Bratton	Clark	Dill
Bailey	Brookhart	Coolidge	Fess
Bankhead	Broussard	Copeland	Fletcher
Barbour	Bulkley	Costigan	Frazier
Barkley	Bulow	Couzens	George
Bingham	Byrnes	Cutting	Glass
Black	Capper	Dale	Glenn
Blaine	Caraway	Davis	Goldsborough

Gore	Logan	Pittman	Stephens
Grammer	Long	Reed	Swanson
Hale	McGill	Reynolds	Thomas, Idaho
Harrison	McKellar	Robinson, Ark.	Thomas, Okla.
Hastings	McNary	Robinson, Ind.	Townsend
Hatfield	Metcalf	Russell	Trammell
Hayden	Moses	Schuyler	Tydings
Hebert	Neely	Sheppard	Vandenberg
Johnson	Norbeck	Shipstead	Wagner
Kean	Norris	Shortridge	Walcott
Kendrick	Nye	Smith	Walsh, Mass.
King	Oddie	Smoot	Watson
La Follette	Patterson	Steiwer	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Iowa [Mr. DICKINSON].

Mr. LA FOLLETTE. Mr. President, the Senate should not pass upon this amendment without realizing just what it involves. I do not know how the Senator from Iowa arrives at the amount which he has determined should be granted to the valuation division of the Interstate Commerce Commission, but obviously it is a very substantial cut which he proposes in the appropriation. It must be remembered, of course, that this item, like all others, has been passed on by the Budget Bureau; it has passed the House of Representatives; it has been before the subcommittee and the full Committee on Appropriations of the Senate; and has been reported at the figure now carried in the bill. The Senator from Iowa now proposes a drastic cut in the appropriation.

I submit, Mr. President, that at a time when the Federal Government, through the Reconstruction Finance Corporation, is loaning hundreds upon hundreds of millions of dollars to railroad corporations for the purpose of sustaining their capital structure during this period of emergency; at a time when we are considering legislation that deals with the subject of bankruptcy and receivership proceedings is not the time to cut the appropriation for the valuation of the railroads, which is the only protection the Government has in the premises so far as the loans which it is making and so far as the receivership proceedings are concerned.

If this matter was to have been taken up seriously, Mr. President, it should have been presented to the committee; hearings should have been held upon it; the Interstate Commerce Commission should have had an opportunity to present the situation which the cut proposed by the Senator from Iowa will produce if the amendment shall become a law.

We had a similar fight over this matter in connection with the last appropriation bill, and, after considering all the aspects of the situation, the Senate reversed the position of the committee and provided a reasonable amount for the continuation of this work.

I know, Mr. President, that it is difficult at this time to secure consideration of this important matter, but it does seem to me that the Senate should not pass upon this amendment without fully realizing the implications of the action that it was about to take. So I hope, Mr. President, the amendment offered by the Senator from Iowa will be rejected.

Mr. KING. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield.

Mr. KING. I am very reluctant to criticize any measure which was sponsored by the distinguished father of the very able Senator from Wisconsin. I looked into this question soon after I came to the Senate. It seems to me, with the changing conditions in the physical aspects of the railroads, that any figures of to-day would be valueless tomorrow or in the near future; and with the wreckage of railroads, the abandonment of many miles, and the great changes which they have undergone, it seems to me that any valuation found 5, 6, 8, 10, or 15 years ago would now be of no value. I wonder—and I ask for information—what advantage there is in finding out the mileage and the trackage of the Union Pacific Railroad, for instance, or the

Oregon Short Line or the Denver & Rio Grande, the latter of which has undergone half a dozen reorganizations since it was valued? What advantage would the figures arrived at some years ago as to trackage and the assets of the organization, many of which have been dissipated or lost in the meantime, now be in determining the basis upon which rates should be fixed or loans should be made by the Government?

Mr. LA FOLLETTE. Mr. President, the work of the valuation division of the Interstate Commerce Commission is particularly important at this time, when, as I have suggested, we are considering the extension of further Government loans to the railroads for which, under the original Reconstruction Finance Corporation act and in accordance with an amendment offered by the Senator from Michigan [Mr. COUZENS], the consent or approval of the Interstate Commerce Commission must be secured before such loans may be extended by the Reconstruction Finance Corporation. As the Senator will find if he will refer to the debate upon the independent offices appropriation bill last year, the commission fully sets forth the importance of the continuation of this work in connection with the many aspects of the railroad problem upon which the commission has to pass.

Furthermore, as I suggested, perhaps before the Senator came into the Chamber, we now have as the unfinished business of the Senate a bill providing for a change in our bankruptcy laws and our receivership laws. It is my understanding that an effort will be made on the floor of the Senate to amend that bill so as to provide that the railroads may come under its provisions.

In view of all those circumstances, I submit to the Senator that this emergency is no time to cut off this activity of the Government in gathering information, which is so essential not only in passing upon the important questions which must be determined in the crisis but also in helping us in the future to determine general policies so far as the railroads are concerned.

Mr. ROBINSON of Arkansas. Mr. President, the bill to which the Senator from Wisconsin has referred having relation to the modification of the bankruptcy act, as passed by the House of Representatives, contains a section dealing with the subject of compositions and reorganizations relating to railroads. The Senate committee reported an amendment striking that section out, but whether the Senate rejects or accepts the Senate committee recommendation, it is true that the question of railroad organization will be in conference.

I myself have no hesitancy in saying that I think, if it is possible to do so, the Senate ought to consider very seriously before accepting the committee amendment striking out the provisions in regard to the reorganization of railroads. Those provisions have been pretty carefully considered, particularly by the committee at the other end of the Capitol.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. COUZENS. I should like to draw the attention of the Senator to the hearings which were held by the subcommittee of the Banking and Currency Committee with relation to stopping loans to the railroads. The main plea of the Interstate Commerce Commissioners, the railroads and their representatives, was that we should not stop railroad loans until the proposed reorganization plan was adopted by Congress. That shows how urgent the matter is.

Mr. ROBINSON of Arkansas. Yes; I really feel that that phase of the issue is urgent—almost equally urgent, if not quite equally urgent, with other provisions in the bill that were retained by the committee.

Mr. COUZENS. Mr. President, I should like to add a word to what has already been said.

In my judgment, if the Congress adjourns without passing legislation which permits and sets up a plan for reorganizing the railroads, it will mean millions of losses through the Reconstruction Finance Corporation loans. In other words; there seems to be no sentiment for discontinuing

loans to the railroads until Congress has set up an efficient and more practical manner of reorganizing them.

Mr. ROBINSON of Arkansas. Manifestly, if reorganizations are to occur, an arrangement for them should be made as soon as practicable, because many believe that as to some of the railroads, at least, it is impossible for them to continue operations indefinitely without reorganizations having relation to their present capitalization.

I take it that that is the thought that is in the mind of the Senator from Michigan—that reorganizations as contemplated by the amendment that was stricken out by the Senate committee would be helpful to the reestablishment of some of the railroads, at least, upon a sound and successful basis.

Mr. COUZENS. That, Mr. President, is exactly my view, because what the Government has been doing through the Reconstruction Finance Corporation is to maintain the interest and maturities of bonds coming due, largely to prevent receiverships under the old system and the old plan. It is hoped that by setting up this plan, as proposed in the amendment which was taken out by the Judiciary Committee, the procedure will be simplified and further loans from the Reconstruction Finance Corporation may not be necessary, because it is obvious that if we do not continue loans and if we do not pass this bill many of the railroads would have to go into receivership.

With respect to the amendment proposed by the Senator from Iowa [Mr. DICKINSON], I desire to say that if there is either a continuation of loans by the Reconstruction Finance Corporation or the passage of the new bill providing for the reorganization of the railroads every dollar that is in this appropriation will be needed to satisfy the courts and others who participate in the reorganization or to satisfy the Reconstruction Finance Corporation that the settlement is a just and fair one as related to the values of the railroads. So it does not turn on the question raised by the junior Senator from Utah as to old valuations. I concur in what he says about old valuations. What we need now, if we are to do the job properly, is to ascertain what the property is worth to-day; and certainly, to protect the Government, we are justified in spending the money provided in the appropriation.

Mr. KING and Mr. ROBINSON of Arkansas addressed the Chair.

The VICE PRESIDENT. Does the Senator from Michigan yield; and to whom?

Mr. COUZENS. I yield to the Senator from Utah.

Mr. KING. Mr. President, as I understand, information concerning the physical properties of the railroads has been ascertained during the period of nearly 20 years since this law has been upon the statute books, the ascertainment of which has cost the Government more than \$50,000,000, when it was understood at the outset that it would cost only four or five millions.

Mr. COUZENS. I think the Senator has overestimated the amount that has been expended by the Government.

Mr. KING. No; I think it is \$50,000,000.

Mr. COUZENS. By the Government alone? No; I think that is the combined amount that has been expended by the railroads and the Government together.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. DICKINSON. I have the items here for each year; and the total amount is \$51,022,000, including this year.

Mr. KING. That was my recollection.

Mr. COUZENS. That may be so; but the Senator has not estimated how much that has saved the users of the railroads by protecting them against higher rates.

Mr. DICKINSON. I do not think it has ever saved them a nickel.

Mr. KING. Mr. President, replying to the last suggestion, the rates have been increasing notwithstanding the activities of this organization; but the question I was going to ask the Senator was this:

What superior information would the men in this organization have as to the value of property than the banks, or

the individuals, or the Senator from Michigan? A thing is worth what it will sell for. We know what the physical assets are. We know that the good will of the railroads is not very much, and perhaps the values which were placed upon the railroads were largely predicated upon the alleged good will. I was wondering what information they could give as to the value of railroads that would induce the Senator, if he were a banker, or if he were a member of the Reconstruction Finance Corporation, to extend credit of five, ten, fifteen, or a hundred million dollars to a group of railroads. He would know, of course, the physical assets, because they are apparent; but as to the market value, I am sure the Senator from Michigan is a far better judge than any of the experts in the Interstate Commerce Commission.

Mr. COUZENS. In response to the Senator from Utah, I will say that if I were passing upon a loan or a reorganization plan it would be necessary to consider the value of the securities, whether they were first mortgages and a primary lien upon the property, whether they were junior mortgages, or refunding mortgages, or what; and, obviously, it would be necessary to know something about the physical values of the property and the divisions which the several mortgages cover; and it would also be necessary to know the relation of the earnings to the respective divisions of the property.

For example, in a long discussion I had this morning with one of the Interstate Commerce Commissioners, it was pointed out that even the railroad securities of to-day, in many cases, are bringing much less than the earnings of the railroads justify. For example, take a railway mortgage that is selling to-day for 12. If we should take the actual earning power of the railroad under to-day's depression we would find that it was earning sufficient to pay a return on that mortgage at 50. I mention that because the mere market value, or what a thing can be sold for to-day, is not necessarily the controlling factor as to the future.

In that connection I wish to say that before the Finance Committee yesterday, as I think the Senator will remember, we had a considerable discussion as to whether loans to railroads or banks might be justified under to-day's values. It is alleged that these things can not be determined on to-day's values; and so we have to project ourselves into the future somewhat to determine whether ultimately these values are going to return to some normal point, or to some point along the line where they heretofore were.

The Government must be protected if any loans are to be made by the Reconstruction Finance Corporation. The Government must be protected if the Interstate Commerce Commission is to authorize reorganizations and the issuance of securities. Certainly the governmental agencies that would authorize the reorganization of a railroad should not certify to the issuance of securities, either primary or junior, without having expert information not only as to the physical value of the property but as to the prospective earnings of the property; and it seems to me shortsighted policy to cut out a million dollars for maintaining that organization for one year.

Mr. DICKINSON obtained the floor.

Mr. FLETCHER. Mr. President—

Mr. DICKINSON. Mr. President, I desire to make a short statement with reference to this situation.

I know of no place where we can save half a million dollars, without doing anybody any harm other than this item.

The strongest argument in favor of this item is the fact that it will require the furloughing of some of the personnel of the Interstate Commerce Commission engaged in this work. I do not like that. So far as the valuations that are necessary for the loans by the Reconstruction Finance Corporation are concerned, I want to make this suggestion:

We have already had valuations of the 1,685 steam railroads that were listed for valuation. Those primary valuations have been completed. Throughout these records for the last 20 years it is shown all the while that after the valuations are once completed they could be kept current

for \$400,000 per year. Now we are told that for the purpose of making loans through the Reconstruction Finance Corporation, or for the purpose of the reorganization of the railroads under the bankruptcy act, we ought to carry this item in practically the full amount for next year.

If the emergency is as great as is suggested here on the floor of the Senate, most of this will have to be done before July 1, and this appropriation bill does not become effective until July 1. They have all of the data up to that date.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. DICKINSON. Yes; I yield.

Mr. TYDINGS. I do not want to interrupt the Senator, but I should like to have this question answered: I am impressed with what he says. If this thing is of no value, why have it at all? Why not cut it all out or let it all stay?

In other words, if the work is not going to be worth anything, we ought to cut it all out. If it is worth something, we ought to furnish enough money to carry it on.

Mr. DICKINSON. The reply I want to make to the Senator from Maryland is this: The commission say they have made their primary valuation; the rest of it is a completion of records, and so forth. All that is required is about half a million dollars to keep this work current. Instead of cutting down the way they should cut down, and saying, "We only want enough to keep the work current," they want to carry on for another year or two some of the ramifications that they have been in during the past few years.

As a matter of fact, under Order No. 3, the railroads are required to keep records of all changes in physical property and the cost thereof from the date of original valuation and to file summaries thereof.

They report to us—

This is a member of the commission testifying—

They report to us all changes in their properties, and we put people in the field—

Now, listen:

We put people in the field to check those reports.

I suppose if a railroad has a mile of road and it puts in a thousand new ties, it is desired that somebody from this bureau shall go out there and count the new ties. That is not necessary. We have these valuations summarized. We have them in shape, so that all we need to do is to check those reports on improvements and betterments to see whether or not they are in line with the usual and actual costs.

That is all that it is necessary to do. That is all the information that is necessary to make loans through the Reconstruction Finance Corporation. It is all that is necessary for the reorganization of railroads under the bankruptcy act. It is all that is necessary for the Government to have all the information they need with reference to the valuation of the railroads.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. DICKINSON. I want to go a little further before I yield.

The recent railroad committee—and it was a good committee, and it has made some observations with reference to what should be done so far as the railroads are concerned—made its report only a little while ago. In section 2 I find this:

The policy of trying to appraise railroad properties on some selected basis of valuation and then saying that they are entitled to earn a fair return on this appraisal should be reconsidered. Where competition with trucks and other methods exists it will determine rates. In other cases rates must be regulated; but the basis of cost of operation under efficient management is a better general guide than any attempt to preserve capital structures regardless of economic trends. We see no reason why the rate-making rule should not say in plain English that railroads are entitled to make a reasonable profit based upon costs of efficient operation, and that they are not entitled to earnings merely to preserve present structures if overcapitalized.

Unless the railroads are permitted reasonable earnings on the cost of efficient operation, there is no alternative to Government

ownership and complete socialization of our railroad system. But that does not mean that railroads, any more than other industries, are entitled to a guaranty of earnings on their investments in property.

Those are the findings of a committee that has been appointed and has been making a special investigation of the whole railroad problem in this country; and yet we are saying that we want to continue the employment of a thousand people down here to check the railroads' inventories, to see whether or not they have put a new tie in where they have said they have or have put on a new iron where they have said they put it on, and keep up this detailed checking. The enforcement of prohibition was never in it with this class of investigation at all. I want to say that for the benefit of the Senator from Maryland [Mr. TYDINGS].

Mr. President, on top of this, this appropriation is not to become effective until the 1st day of July. If the crisis is such as described by the Senator from Michigan, it will be either on or over by that time.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. COUZENS. The Senator has not visualized the situation at all, because it will not be over for two years, let alone by July 1. The reorganization and the setting up of the capital structure of these railroads under the amendment provided will take from a year to two years before it is definitely settled. The Senator has entirely overlooked, in his discussion, the changing commodity prices, and certainly the Senator does not mean that the Interstate Commerce Commission or the Reconstruction Finance Corporation should base loans on the valuation of 1928 and 1929, without regard to what the valuation is as of to-day. There must be somebody with judgment to fix a valuation between the low point of to-day and the high point of 1928 and 1929.

Mr. DICKINSON. We have here \$1,750,000, when they admit that it takes only \$500,000 to keep the valuations up to date. Therefore all they have to do is to revise their figures by percentages, in accordance with the percentage of change, and we will have all the information the Reconstruction Finance Corporation or any reorganization committee would need.

I admit that this provision would reduce the personnel in the Interstate Commerce Commission. I think they can meet that situation by furloughs. Mr. Lewis, in his testimony, said that for 1935 they will reduce their appropriation to \$1,750,000. I am asking them to reduce it in the 1934 appropriation bill. If they can do it in two years, they can do it just twice that fast and do it in one year. There is no reason why Congress should appropriate an extra half a million dollars in order to carry on this work.

Mr. COUZENS. Mr. President, will the Senator yield again?

Mr. DICKINSON. I yield.

Mr. COUZENS. I would much prefer to take the judgment of Commissioner Eastman than even my own judgment, or the judgment of the Senator from Iowa. I have complete confidence in the judgment of Commissioner Eastman, who has devoted more hours and more years unselfishly and earnestly and honestly to the railroad problems than any Member of Congress ever has; and I do not exclude the Senator from Iowa or myself. When he says that, in his judgment, in order to maintain the service needed, this amount is necessary, I am willing to leave it to his judgment.

Mr. FESS. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. FESS. I was going to ask the Senator, What is the use consuming time in an effort to have Congress reduce these expenses? We have authorized the President, in a certain measure, to make savings, which will go to the extent of eliminating the Interstate Commerce Commission if, in his judgment, that ought to be done. There can not be a reduction of \$500,000 by a vote in Congress. What is the use taking up the time?

Mr. DICKINSON. My thought is this, that when it comes to a consolidation of these departments, the amount of money to be involved in the consolidation is to be a very important factor. We do have the right to limit this money if we will.

Mr. FESS. The Senator knows we are not going to do it on the floor of the Senate.

Mr. DICKINSON. Apparently not.

Mr. FESS. Absolutely we are not.

Mr. DICKINSON. We cry "economy," but when we get a chance to vote we all vote the other way. I would like to have a roll call on this amendment. I want to see how many Senators want economy, and how many want to keep on spending the Government's money.

Mr. SMOOT. Mr. President, in the testimony given before the subcommittee of the Committee on Appropriations this statement was made:

Under the Budget estimate for 1934 the commission expects, by the end of that fiscal year to have all valuation data brought down to a currency as of January 1, 1933, and that the amount of annual appropriation for subsequent years for keeping such information current, can be materially scaled down below its present level.

Then the witness gave the details, covering the amount of the appropriation.

Mr. DICKINSON. Mr. President, that is the same type of statement those people have been making from 1921 down to date. When they started in they said they would complete the valuation in five years at a cost not to exceed \$12,000,000. They have been at it 12 years, and the cost has been practically \$50,000,000. They will make the same statement next year if we give them an opportunity.

Mr. SMOOT. We might as well vote upon it.

Mr. LA FOLLETTE. Mr. President, not being informed that this matter was to come up, I have not had an opportunity to obtain any current information, but at the time the item was up last June, when the appropriation bill was under consideration, I received a memorandum transmitted to me by Commissioner Eastman. At that time it was stated that the work of valuation was 80 per cent completed. In view of the statement just referred to by the Senator from Utah, which shows that substantial progress has been made, I wish to refer to the statement which will be found on page 14019 of the Record of last session. It is as follows:

The commission is in a position to produce within 60 days a reliable estimate of the current physical valuation of the railroads, as a whole or for the recognized rate groups. Such data were produced in the recent 15 per cent rate increase case, Ex parte No. 103. While the commission can not now do this for each individual railroad, it will soon be able to do so, provided it is permitted to go ahead with its work.

Under present conditions and on the basis of present earnings and present market values for their securities, it may be argued that valuation of the physical properties of the railroads has lost all practical importance. But it was only a brief three or four years ago, when market prices for securities and reproduction cost indices were at top levels, that some estimates of aggregate railroad values ran as high as \$40,000,000,000 or even \$50,000,000,000. Based on past experience with prophecies, it is a rash man who can be sure that the situation will not change as radically in the other direction within the next three or four years.

Furthermore, the railroads have until recently been claiming the benefit of valuations based on reproduction costs much higher than original cost, and the tendency of the Supreme Court has been to sustain them in such claims. At the present time reproduction costs are trending rapidly in the other direction. There are many railroads whose reproduction cost is now below original cost, and there soon will be more. Under these conditions the interest of both railroads and public utilities in physical valuation is evaporating. The public is clearly entitled to the services of an organization which can produce on short notice the facts in regard to current reproduction costs and current depreciation, and this is what the bureau of valuation, as at present organized and equipped, can do. It is impossible to say when the need for such information may arise.

It is at least conceivable that if the present economic depression continues, it may be necessary for the Government to take over the railroads, as it did in the war emergency, for a period of time. If there should be need for such action in any one of a number of possible forms, the existence of a well-equipped bureau of valuation with complete valuation data at its command would be an invaluable protection to the country against possible unwarranted claims. Under such circumstances it would be folly now to disrupt and ruin this organization.

It requires years of time to build up a trained and experienced organization, such as the commission now has in its Bureau of Valuation. It takes only a short time to wreck such an organization, and that is what is now proposed. It is respectfully submitted that not even the present financial emergency is justification for such drastic action.

Mr. President, in addition to the other matters which I mentioned when I spoke a moment ago, concerning the importance of the services rendered by the valuation division, I neglected to recite the responsibilities fixed upon the commission in connection with reorganizations and mergers of railroads. It must pass upon those mergers, under the law, as they are presented, and, without a continuation of valuation work, the commission will be absolutely helpless in meeting the claims of the various railroads which are to be considered in a particular merger. It would be forced to take the value claimed by the individual carrier in such a situation.

If the Congress desires to abandon the valuation of railroads, we should have the matter presented in the form of an amendment to the act, and we should have an opportunity to test it out upon its merits. To propose an amendment as the Senator from Iowa has done, without giving any opportunity for a consideration of all of the facts in the case, seeking to secure a virtual abandonment of valuation by cutting the item in an appropriation bill, is not the proper way to proceed.

My understanding of the situation is this, that if the present item reported by the committee is permitted to stand in the bill, when the next appropriation bill is presented, sufficient progress will have been made in the process of continuing and completing valuation of roads so that it may be entirely possible to make a substantial reduction in the force of the Bureau of Valuation of the Interstate Commerce Commission.

The statement of the Senator from Iowa is not fair, that claims have constantly been made by those responsible for the work of valuation and that no progress has been made. On the contrary, progress has been made, although perhaps not as rapidly as those representing the commission hoped at the time they made their statements. Nevertheless, the fact is that on June 27, 1932, 80 per cent of the valuations were complete. As was said by the Senator from Utah in his statement, the commission is now prepared to estimate that if this appropriation is continued at its present figure, the valuation will be virtually completed in a relatively short time.

I think there is every reason to hope that it will be accomplished, for Mr. Lewis, who has been so long upon the commission, and who has rendered such excellent service, has, I understand, now been made the chief of the valuation division. We will then be in a position where, with a much smaller appropriation, we can provide a force which will be able to furnish, from the data they have then completed, accurate information for any use which the commission may have to make of it.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. DICKINSON. The same Mr. Lewis made this statement on February 6, 1926:

This was the so-called 3-year program which was accepted and on which we are now engaged.

He was at that time making exactly the same commitment he has now made, and to which the Senator is referring; and, on top of that, with the theory that the present valuation of railroads is not a proper basis for rate making, it will not be a proper basis for reorganization, it will have but very little value other than to furnish an inventory to show its completeness and as to how the roads could be reorganized, or what the valuation should be in the reorganization. So that most of the argument of the Senator from Wisconsin, it seems to me, is beside the point.

Mr. LA FOLLETTE. Mr. President, I do not agree with the Senator from Iowa. If the railroads are going through receiverships and reorganization, certainly some protection must be afforded the public in the amount of stock which

is to be issued by the new corporations. The Senator said the physical valuation will have nothing to do with that. I do not agree with him. Upon what value will we rest the issuance of the securities? Certainly in view of the past history of railroad finance I trust that we are not going to rely upon the judgment of the operators and owners of railroads and permit them to issue such amounts of stock as they deem suitable for their purposes.

Mr. President, if we are going to incorporate a provision in the bankruptcy law, which is the unfinished business, permitting railroads to come in and to have "one-day bankruptcy proceedings" and to reorganize, there certainly should be, in view of the long and black history of railroad finance in this country, some agency to protect the public interest. The Senator from Iowa, it seems to me, has not taken into consideration the important part which valuation will of necessity play if the public interest is to be protected. Therefore, I hope that the Senate will vote down the amendment offered by the Senator from Iowa, permit the item to remain at its present figure, and give an opportunity for the completion of this important piece of work which has been undertaken and has been in progress for so many years.

Mr. DICKINSON. Mr. President, I simply want to make the suggestion that the public is interested in the service it receives and the price it pays for it. The Interstate Commerce Commission are authorized to fix rates. Everyone knows now that they are no longer going to be able to permit the usage of a rate or to grant a rate that will pay a profit on the physical valuation, because the railroads can not get the traffic to carry at that price. In other words, the railroads are in competition now. They are no longer masters of the transportation of the country. They have competition in freight, they have competition in passenger traffic. They have competition in the automobile and they have competition in the air. Therefore, there is an entirely different situation.

The public interest is to be protected, yes; but it will be protected in two ways—first, by the competition which the railroads are compelled to face and, second, by the fact that we have the Interstate Commerce Commission that have the right to supervise and fix the rates. But to say that the Interstate Commerce Commission must continue to grant a rate that will pay a certain return on the valuation fixed by this bureau or by any other bureau is entirely in error. We are clear beyond that stage of operations so far as our transportation systems are concerned.

Mr. LA FOLLETTE. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Wisconsin?

Mr. DICKINSON. I yield.

Mr. LA FOLLETTE. I want to suggest to the Senator from Iowa that the importance of the protection of the public in a reorganization will be very evident to him if he will read over the testimony taken in connection with the receivership of the Milwaukee Railroad. If there ever was an indication of the necessity for having the public interest protected in these reorganizations, that case certainly fully proves it.

Mr. DICKINSON. I am very familiar with the reorganization of the Milwaukee Railroad. Having lived on it most of my life, I know something about the questions involved. But I want to say to the Senator now that if the Milwaukee road is compelled to continue to charge rates and make an effort to pay a reasonable return on its fixed valuation, it is facing receivership in the morrow, and I do not know but what it is still in receivership now as it was for a number of years. Therefore the Milwaukee Railroad has to adjust itself to where it charges for services it renders rather than attempting to charge upon the basis of a return on its valuation.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Florida?

Mr. DICKINSON. I yield.

Mr. FLETCHER. I would like to ask the Senator a question. As I understand, the Senator did not propose the amendment to the bill as it came over from the House in order that the amendment might be considered by the Committee on Appropriations.

Mr. DICKINSON. I was not on the subcommittee, and I was not present at the meeting of the full committee when the bill was considered and reported out, or I should have presented it then.

Mr. FLETCHER. The amendment was not proposed at all to the committee, and the committee had no chance to consider it?

Mr. DICKINSON. That is true. Let me suggest to the Senator from Florida that this is a time-old discussion. It has been going on since 1913. The commission promised to complete the work in three to five years. In 1922 and in 1923 and again in 1924 they agreed upon a 3-year program. That time has come and gone and they are still asking for practically the same amount of money for which they originally asked. The result is we are simply dragging the thing out. They have now committed themselves to the point where they say that next year they will ask for only \$1,750,000. With the work as nearly completed as it is now, with the work in the condition in which it now is, I am convinced they can close it down and put it in a position to be kept current, and can do it much more quickly than they have suggested, and the only way we can get them to do it is by reduction of the amount appropriated for that purpose.

Mr. FLETCHER. There is a great deal in what the Senator has said. I recall the discussion heretofore and some of the things that have taken place. I am sorry the work has been dragged out as long as it has, but I hesitate on the floor of the Senate to vote for an amendment offered on the floor which no committee has had any opportunity to examine and consider, and no chance has been given to bring the facts down to date. The House investigated very fully and very carefully, and hearings were held there; but the Senate committee have not considered the subject at all. There was no such amendment before them. I hesitate not only in this case but generally to vote for an amendment on the floor which has not been considered by a committee and about which there is a great variety of views. I quite agree with a good deal the Senator has said, but it appears now from those closely related to the subject that there is need for the work to be continued. I am not in the position to say that it should not be continued.

Mr. LA FOLLETTE. Mr. President, I am sure the Senator from Iowa left the impression that these appropriations had not been reduced. I want to refer to the fact that in 1931 the valuation division had \$3,547,313; in 1932 they had \$3,554,368; and in 1933 they had \$2,750,000. So that since 1931 there has been a reduction in the appropriation of nearly \$800,000.

Mr. DICKINSON. In 1915 the appropriation was \$2,330,000; in 1916 it was \$3,000,000; in 1917 it was \$3,500,000; in 1918, \$3,500,000; in 1919, \$3,575,000; in 1920, \$3,000,000; in 1921, \$2,750,000. There is the one place where they promised, "If you will give us more money, we will complete the work." In 1922 the amount was reduced to \$1,750,000. In 1923 they were given \$1,300,000; in 1924, \$1,250,000; in 1925, \$1,065,000; in 1926, \$1,946,000; in 1927, \$287,000 plus an unexpended balance of \$1,715,000; in 1928, \$2,563,000; in 1929, \$2,200,000; in 1930, \$2,539,000.

The \$3,000,000 appropriation to which the Senator from Wisconsin refers was when they again said, "If you will give us a 3-year program, we will complete the work." But they still have to have \$2,313,000 in order to carry on the work.

Mr. FESS obtained the floor.

Mr. BLAINE. Mr. President, will the Senator from Ohio yield that I may ask the Senator from Iowa a question?

The VICE PRESIDENT. Does the Senator from Ohio yield for that purpose?

Mr. FESS. I yield.

Mr. BLAINE. I want to inquire of the Senator from Iowa if he does not appreciate the fact that last year and this

year the valuation that was made by the Interstate Commerce Commission respecting the Grand Central Post Office site in the city of New York saved the Government of the United States \$5,000,000 in that one case alone? There are several scores of those cases where the Postmaster General and the Treasury Department may make a request for the valuation. The valuation relates to property either owned by the railroad companies or property that is valued for the purpose of forming a basis upon which adjoining or adjacent railroad property may be subject to valuation. If the Postmaster General and the Treasury Department will avail themselves of the information gathered by the Valuation Division of the Interstate Commerce Commission, the saving to the Government of the United States will pay the appropriation now proposed for the next 10 or 15 years just on a few of those sites alone.

Mr. DICKINSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. DICKINSON. I want to suggest that I have no objection to the organization being continued, but I do not think that in order to appraise a post-office site in New York City we need a thousand men on the pay roll, nor 750 men on the pay roll, nor 500 men on the pay roll. I may suggest that the amount which I have proposed, \$1,750,000, will mean about 600 men on the pay roll, and for that reason the work is available to the very type of service suggested by the Senator from Wisconsin.

Mr. FESS. Mr. President, I have served on the Interstate Commerce Committee of the Senate for 10 years. One of the subjects that comes to that committee constantly is the railroad situation with reference to reorganization and the operations of the Interstate Commerce Commission. Perhaps the senior Senator from Utah [Mr. SMOOT] can refresh my recollection on the point I am about to mention. As I recall, when this proposal was first offered—and I will ask the Senator from Utah if I am correct—it was stated that it would not take over \$2,000,000 to complete the work of railroad valuation and that it could probably be concluded within three years.

Mr. SMOOT. I will say to the Senator, going back into the history of the item, that up to the appropriation of last year \$44,633,000 had been appropriated.

Mr. FESS. I am aware of that, but what I wanted to ascertain from the Senator was the correctness of my recollection. Were we not led to believe when the original measure was introduced and passed that the work would not take over two years to complete and that it would not cost over \$2,000,000?

Mr. SMOOT. I do not remember the amount which it was estimated the work would cost, but it was a small amount.

Mr. FESS. A very small amount, and the time within which the work would be completed was very limited.

Mr. SMOOT. Yes; the time was limited.

Mr. FESS. I have just been handed the statement that was made before the committee on the occasion when the legislation was before it, and the statement was made that Professor Adams, the statistician, had said that he considered this matter when he was with us a few years ago and his final estimate was, as well as he could judge, that it would probably take \$3,000,000 for the valuation.

That is the impression that I have had from the beginning, that it was understood that the work was going to be very quickly done and that it was not going to cost much. I rose to my feet to ask the Senator from Utah, for I thought he would know, what has taken place to prolong this work for 20 years at this enormous cost, when originally it was thought it would only cost \$3,000,000 and require two years to complete it. What has been added?

Mr. SMOOT. In the first place, I want to say to the Senator that I think if he will go back into the record he will find that a great many of us at the time stated that the work could never be done for the amount of money then estimated. Of course, changes have taken place in the

years that have passed since the first appropriation was made. I suppose a revaluation of many roads in receivership has been required, but, as I have said, I believe that almost everybody who considered the first estimate knew that the work could not be done within that estimate.

Mr. FESS. Is it not true whenever we establish some bureau or office of a temporary character that, unless it is very closely observed by Congress, it comes to be of permanent character? Is that not true?

Mr. SMOOT. The history of our Government bears the Senator's statement out, I think, in every particular.

Mr. FESS. Mr. President, the first suggestion I had that the valuation division was to be a permanent organization was from the letter of Commissioner Eastman. He wants to know why we should wreck it? The organization, he states, could easily be wrecked and he asks why it should not be continued? That is the first statement I have heard that it is to be permanent, and that any effort to discontinue it will be not in unison with the desires of the commission. That is not disclosed here, but that is in conformity with the uniform history of all the departments of the Government. A new bureau or agency, whether it be the Interstate Commerce Commission or the Federal Trade Commission or this independent commission or that dependent commission, is recommended to be created.

Mr. NORRIS and Mr. LA FOLLETTE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Ohio yield; and if so, to whom?

Mr. FESS. I am not yielding to anyone just now.

When such new agencies are created naturally, they grow by accretion, unless when making the appropriations we are constantly on guard to prevent it. I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I wanted to make an inquiry. I may repeat something said when I was not in the Chamber, but, as I understand, in order for the railroad valuation work to be beneficial to the country we must make it permanent. In other words, when we get a valuation as of a certain date the valuation the next year may be different, and if the division remains in existence the valuation can easily be continued. Is not that the object of the appropriation?

Mr. FESS. If that is the theory, let us stop the discussion right now. If the valuation division, created 20 years ago, at which time it was expected that the work would be completed in 2 or 3 years, as was stated before the committee—and it was also stated that it would not cost over \$3,000,000—is to be made permanent, then let us make an annual appropriation; and I have not anything more to say. But I am concerned, after the promise made almost every year for the last 20 years, that the work was going to be completed, that it should be proposed to continue it indefinitely.

Mr. NORRIS. It has been practically completed, has it not?

Mr. FESS. Last year 80 per cent of it was completed.

Mr. NORRIS. The Senator—

Mr. FESS. Mr. President, I am not yielding further. I rose simply to make the observation that this discussion has disclosed two things: The first is that a temporary organization, unless we remain constantly on guard, will become a permanent organization. In this case a bureau which was originally intended to be of a temporary nature, lasting for 2 or 3 years, has continued for 20 years; and now the argument is made that it is to be permanent, and there should be no assault upon it. That is the first thing disclosed.

The other is that it is perfect folly for us to talk about reducing any appropriations in this or in the other body.

That can not be done, and that is one reason why I have urged from the beginning that we have got to give authority elsewhere to do the thing that we ought to do but we will not do because of pressure. That is why I urged that such authority to be given President Hoover, and, not having given it to him, that is why I voted during consideration of the bill recently passed by the Senate to give such authority

to President-elect Roosevelt. We are going to give him, if that provision shall finally become a law, as I think it will, sufficient authority, but it may extend even to the total abolition of some of the independent organizations of the Government. I am not free to go to the extent of giving to the President the authority to do what the law would otherwise forbid him to do; that is, I do not want to delegate to the Executive power to make or repeal legislation by his own decree; I think that goes too far; but where there is waste, such as there appears to be in almost all the independent bureaus and establishments, that could be corrected by consolidations, transfers, and so on, I think there is no way for us to bring about any saving along that line except to give the authority to the Executive, and I am perfectly willing to go that far.

I desire merely to add that when a new Government agency is created, though it is stated at the time that it will be but temporary, there will be sufficient interest on the part of those connected with it to cause them to exert influence to continue its activities and add to them until what started in a small way gradually grows until it assumes large proportions, and the cost, which was originally slight, gradually becomes enormous. That is inherent in organization itself. Much of the insistence in this case comes from the Interstate Commerce Commission itself and not from Members of this body, and we listen to their recommendations in spite of the committee raising the question constantly as to whether or not a continuation of the appropriation is wise. We are inclined to give heed to the commission, and when we come to consider economy here their voice and not ours is to be final. I know we are not going to make this reduction—not because we ought not to make it, but simply because we will not make it.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Wisconsin?

Mr. FESS. I yield.

Mr. LA FOLLETTE. The Senator in discussing the permanency of the valuation division and the suggestion that the pending proposal would wreck the commission made reference to a memorandum from which I had read.

Mr. FESS. I referred to the letter from Commissioner Eastman.

Mr. LA FOLLETTE. In justice to the commission I simply wanted to point out that the memorandum was submitted at a time when it was proposed that the appropriation to be provided last year should be cut from \$3,554,000 to \$750,000, which would have been a cut of something like 78 or 79 per cent. That led to the statement that such a drastic cut would wreck the commission.

Mr. KING. Mr. President, the Senator from Washington has just attributed to Congress virtues which many persons believe it does not possess, or at least that it is not exhibiting. Certainly there is no evidence that the present Congress is demonstrating a greater desire to reduce expenditures in the Federal Government than the preceding Congresses. With knowledge of a certain deficit for the current year of approximately \$2,000,000,000, and with the certainty of a larger deficit for the next fiscal year, unless drastic cuts are made in Federal expenditures, Congress fails to apply the pruning knife to appropriation bills.

It is not an agreeable task to challenge attention to alleged defects in legislation or unsound or unwise measures which receive the attention of committees and of Congress; but I can not escape the feeling that it is the duty of Senators to oppose measures which they regard as devoid of merit, and appropriation bills which they believe carry improper and extravagant appropriations.

The bill before us carries more than \$1,000,000,000 for the next fiscal year. It furnishes convincing proof that promised reductions in Federal expenses have been forgotten or repudiated; it carries an enormous appropriation for the Veterans' Bureau, notwithstanding the situation calls for reductions in the bureau which deals with veterans' legislation.

Mr. President, upon several occasions during this session of Congress I have challenged attention to the failure of Congress, as shown by the bills reported by committees, to live up to platform pledges made by the two great political parties. The appropriation bills which have come to the Senate during this session have carried, in my opinion, hundreds of millions of dollars in excess of what can be justified under the conditions of the Treasury and the economic condition of the country.

It is to be regretted that platform pledges are treated with contumely. The enormous deficit for the last fiscal year, as well as a certainty of a nearly \$2,000,000,000 deficit for this fiscal year, demands of Congress drastic cuts in appropriations for the next fiscal year. Many cities, counties, and States are attempting to balance their budgets and in so doing are cutting expenses, reducing the salaries of employees, and inaugurating economies and reorganizations calculated to aid in meeting present emergencies. In many parts of the country taxpayers are organizing for the purpose of reducing the amount of taxes and are also demanding of those agencies authorized to levy taxes that material reductions be made in the levies for the coming year. Incontrovertible evidence is furnished that millions of people are unable to pay their local taxes, and many are defaulting in meeting their Federal-tax obligations.

The value of many forms of property has been reduced almost to the vanishing point, and persons who a few years ago possessed incomes are now wholly without means of support. Those who own real estate are sufferers from the decline in the value of property, and they are the ones who are experiencing the greatest difficulty in paying the taxes levied upon their property by States and their political subdivisions. The people of the United States, as well as the Federal, State, and municipal Governments, have indulged for a number of years in a wild orgy in expenditures. There can be no justification for expenditures by our Federal and State Governments of approximately fifteen billions of dollars such as has been the case during this and preceding fiscal years.

Notwithstanding the heavy and indeed unjustifiable expenditures by Federal and State Governments, it seems impossible to reduce expenditures or to bring the minds of legislative bodies, State and Federal, to a realization of the unwise, unsound, and dangerous course of continuing appropriations upon the same high plane as that which has existed for a number of years. When bureaus have been created and Federal agencies organized and a large personnel entrenched behind civil-service laws, it is almost impossible to effectuate reforms, or to relieve the people of burdens which this bureaucratic system places upon the backs of the people.

The Democratic Party in its convention last July was pledged to reduce governmental expenditures 25 per cent. The Republican Party also insisted that Federal expenses should be reduced. But platform pledges, Mr. President, seem to be meaningless; they certainly are not being observed by either of the great political parties. In view of these pledges those who believe that they were made in good faith and should be fulfilled, must look with astonishment, if not with indignation, at the failure of both political parties to live up to their pledges. I know it is repetition, and useless repetition, to protest against these appropriation bills that are brought to the floor of the Senate.

I think that a majority of the American people expected relief from these heavy Federal burdens; but when this session of Congress shall have adjourned and the people have had an opportunity to appraise the work of Congress and to learn of the stupendous sums appropriated, there will be a rising tide of criticism leveled at the National Legislature for its defaults. I appreciate, however, that there are many of our citizens who are demanding larger appropriations and who are insisting upon the Federal Government appropriating billions of dollars in excess of the amount needed for legitimate governmental purposes. Within this group are found those who insist that the Government, not-

withstanding the Treasury is empty and deficits are daily increasing, shall issue billions of dollars to meet the mortgaged indebtedness of the people, to protect bank depositors, to discharge pressing obligations of the railroads, to aid industrial corporations as well as private persons in their business undertakings. Many of the people fail to understand that Governments are maintained only by taxes wrung from the people.

The credit of governments can only be maintained when its finances are adequate to meet its obligations. Of course, a country possessing the resources found in the United States with a reasonably efficient and economical government may enjoy great credit, and can therefore borrow money within reasonable limits to meet emergencies or to meet temporary deficits; but no government, regardless of its wealth and prestige, can indefinitely extend credit and issue bonds to meet expenditures without having its credit impaired and ultimately coming to grief. I have had occasion to say within the past few days that the credit of the National Government must be maintained; that our whole economic, industrial, and political structure rests upon the faith and credit the people have in their Government. In this view there is a solemn obligation resting upon Congress to take no steps to destroy the prestige and the credit of the Government of the United States.

Mr. President, this bill as well as other appropriation bills which we have considered, conclusively demonstrates that this Congress is not sufficiently impressed with the imperative necessity of the strictest economy in government operations. It is apparent that the appropriation bills in the aggregate that will be passed this session of Congress will exceed by approximately \$1,000,000,000 limits which safety and prudence and wisdom demand. I am advised that the Post Office and Treasury appropriation bill, which recently passed the Senate and went to conference, will soon be returned to the Senate with the reductions and economies which the Senate attempted to incorporate into the bill, eliminated by the action of the conferees supported by the House.

I agree with the Senator from Ohio [Mr. Fess] who has just in a very lucid manner referred to the failure of Congress whenever organizations are created for temporary purposes, to abolish them or to reduce expenses.

Mr. President, it seems to me we lack the courage and the wisdom, and apparently the ability, to inaugurate reforms in the administration of the Government. It has been claimed that Congress is controlled by active minorities; by organizations of Federal employees and by factors extraneous to the Government itself. Certain it is that when reforms are suggested and reductions in Federal expenses advocated, there is a powerful mobilization of forces to frustrate such efforts. I should add that aside from these organizations and forces to which I have referred, many of the constituents of Senators and Congressmen lift their voices in protest against movements to effect reforms in the Government service and to reduce expenses of the Government. Unfortunately there is a growing demand for the Government to exercise greater authority; to create additional bureaus and to introduce socialistic or semisocialistic policies into our economic, industrial, and political life. The suggestion has been made during the discussion upon the amendment offered by the Senator from Iowa [Mr. Dickinson] that we may soon be confronted with the governmental ownership of railroads. Undoubtedly there has been for a number of years a movement supported by many in favor of the Government taking over all the railroads of the United States. This movement has been enlarged during the past few years and seeks to have the Government take over all public utilities.

Mr. President, it is to be hoped that these movements, socialistic in character, or at least paternalistic and bureaucratic, may not assume larger proportions. Rather it is to be hoped that the owners of the railroads will inaugurate needed reforms, modify their capital structures, and adopt policies that will make the railroads effective instrumentalities

for the service of the people and for the benefit and profit of the owners.

Yesterday we listened, and I hope with deep respect and reverence, to the reading by the Senator from Illinois [Mr. Glenn] of Washington's Farewell Address. Annually both Houses of Congress convene for the purpose of drawing strength from that great reservoir of wisdom and knowledge. It has been a source of inspiration to the people of the United States, and succeeding generations will find in it guidance to meet problems that will arise. Washington declared that—

As a very important source of strength and security, cherish public credit.

I pause to remark, Are we observing this wise counsel? Are we cherishing public credit when we fail to observe those principles of thrift and economy so essential in public as in private life? Profligate expenditures, waste, and extravagance in government, indifference to enormous appropriations; all these indicate that we are not observing the requirement that we should "cherish public credit."

I read further from the Farewell Address:

One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear.

Mr. President, it is iteration, indeed reiteration, to challenge attention to our growing deficits and the aggregate deficit for the two preceding fiscal years and the present fiscal year of \$6,000,000,000. Moreover it is apparent that we are lacking in moderation and wisdom, when after we made appropriations for the next fiscal year, there will be added to the \$6,000,000,000 the deficits of two or three billions more. With the fountains of taxation drying up, and with our collections from customs constantly shrinking, it is obvious that the revenues for the next calendar and the next fiscal year will be below the low levels for this fiscal year or the next calendar year, all of which indicate continued deficits, dangerous to the credit of our Government.

Mr. President, the bonded indebtedness of the Government exceeds \$21,000,000,000. The interest charges upon this enormous sum is an important addition to the annual appropriations for the Government. In order that the credit of the Government be preserved, provision must be made for the amortization of these governmental obligations.

Returning to the Farewell Address—

The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate.

Washington understood the importance of public opinion. Public opinion in the end will control, but public opinion is sometimes misdirected. The public may not be advised as to all the facts involved in governmental policies and national concerns. Jefferson believed in the competency of the people to govern themselves, but this belief rested upon the proposition that the public should be informed in regard to their Government and its policies. He insisted upon education, upon the avenues of knowledge being opened to the people. He believed that if they knew the facts their judgment in the end would be a safe guide for the Republic.

Unfortunately the public are not always acquainted with the facts involved in questions and problems, political and economic. Oftentimes clouds darken the skies and the light does not shine upon the pathway of the people. Not infrequently misleading and dangerous propaganda is disseminated, and as a result of misinformation, demands are made inconsistent with sound policies or constitutional provisions. Washington further stated:

To facilitate to them the performance of their duty, it is essential that you should practically bear in mind that toward the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic em-

barrassment inseparable from the selection of the proper object (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the Government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Mr. President, recurring to the discussion upon the amendment offered by the Senator from Iowa, my friend from Florida [Mr. FLETCHER] a few moments ago stated, in substance, that there had been no hearing upon the proposition to reduce the appropriation carried in the bill for the valuation of the railroads, and he was therefore, while sympathizing with the motion, disposed to not support it. I have examined the hearings before the House and Senate committees, and there is nothing, in my opinion, to justify the large appropriation carried in the bill for the purpose indicated. I do not desire to be critical of committees, particularly committees serving the legislative body at the other end of the Capitol; but I confess that an examination of the hearings upon many of the appropriation bills, or many of the items carried in such bills, fails to supply adequate information to justify the appropriations demanded.

The fact is that representatives of departments, bureaus, and Federal agencies are vitally interested in appropriation bills. It is seldom that any person is heard by committees in opposition to the appropriation bills reported to the House or to the Senate. The witnesses who do appear are interested in securing appropriations; they come usually with prepared statements, ready to support their demands for appropriations; but an examination of many of the hearings reveals that witnesses appearing are subjected to no cross-examination, and their statements are seldom challenged. The representatives of the bureaus and departments usually state that a given sum is required for certain purposes or that various amounts are necessary for the bureau or agency for which they speak. I repeat that many of the hearings fail to justify the appropriations recommended.

Mr. President, it seems to me that full opportunity should be given to the public to oppose these demands, to appear before committees and express their opposition and furnish reasons therefor. Moreover, it would be in the interest of the public and of economy if one or more persons were employed to cross-examine the witnesses who appear before committees in support of the appropriations and compel complete disclosures of all facts pertinent to the matters under consideration. I repeat that too many of the examinations are superficial and the facts adduced are unconvincing.

With respect to the item of \$2,313,542 appropriated for the Interstate Commerce Commission to carry on the valuation of the property of carriers, I respectfully submit there is no evidence in the hearings either of the House or the Senate to justify this appropriation. Substantially the same inadequate and imperfect testimony appears in the hearings as appears in hearings upon former appropriation bills. I think that it is not inaccurate to state that the hearings simply show that the representatives of the Interstate Commerce Commission desire this large sum and in effect say that if it is not obtained, a number of employees in the Interstate Commerce Commission will be furloughed.

For years the Interstate Commerce Commission has been submitting requests for large appropriations for the so-called "valuation of the railroads." In my opinion, this so-called valuation of railroads ought to have been completed years ago; indeed in 1913, as the record shows, when a bill was passed providing for obtaining the valuation of the railroads, the claim was made that the work could be completed in two or three years at a cost to not exceed \$3,000,000. As the Senator from Iowa stated, more than \$51,000,000 have been appropriated, and still millions are requested for the next fiscal year with every assurance that additional millions will be required for subsequent years. The Interstate Commerce Commission, in my opinion, has not been frank with Congress; it has not dealt in a candid way with the work of the Valuations Commission.

I have carefully examined the bill before us. It carries more than \$1,000,000,000, and there is scarcely an item of appropriation in the bill that should not be materially reduced. I shall not vote for the bill in its present form. I believe that it has not been sufficiently considered by the appropriate Senate committees, and that it carries in the aggregate a large sum in excess of what is fair or just. I appreciate that the Senate will act adversely upon any efforts to cut the appropriations in this bill. I am tempted to move before the bill passes that it be recommitted to the Committee on Appropriations with instructions to reduce the aggregate amount of appropriations by at least 10 per cent. I have submitted similar motions with respect to many appropriation bills, but such motions have been rejected by the Senate.

Mr. President, there are many people in the United States who are watching Congress and demanding that the appropriations shall be reduced. Protests are not infrequent; but Congress seems indifferent to the effects of these extravagant, if not profligate, appropriations that are made and to the consequences of these mounting deficits.

It is unfortunate that so little interest is manifested in the Senate when appropriation bills are under consideration. Only a limited number of Senators, except when some hotly contested item is under consideration, are in attendance when appropriation bills carrying hundreds of millions of dollars are before us. It is true that committees are in session and many Senators are compelled to be absent from the Chamber when important bills are before this body because of the demands made upon their time by the numerous committees which are in session during most hours of the day. Nevertheless I can not help but believe that when economies are so imperatively demanded, every item of appropriation should be carefully scrutinized and appropriation bills should be reduced to the lowest possible limits. A balanced Budget will tend to restore confidence. If the people know that Congress is determined to apply business principles in the conduct of governmental affairs, and is determined to cut out unnecessary expenses, abolish many bureaus and agencies and keep expenditures within the revenues of the Government, then a step forward will have been taken towards the summit of confidence and prosperity.

Mr. President, while I have the floor I desire very briefly to call attention to a number of items of appropriation carried in the bill. Many of these items justify the contention which I am making that this bill carries appropriations beyond the needs of the Government and which in this period of depression can not be justified. In my opinion the appropriations for the Board of Mediation and Tax Appeals should be reduced. The appropriation for the former amounts to \$132,483 and the appropriation for the latter aggregates \$545,000. Both of these organizations are necessary, but without impairing their usefulness reductions should be made in the appropriation for each.

On page 9 of the bill is an appropriation amounting to more than \$146,000 for the so-called Bureau of Efficiency. That bureau was organized for the purpose of promoting efficiency in the Government service. It has failed to meet the expectations of its sponsors. A measure was passed a few weeks ago either by the House or the Senate abolishing this bureau.

The provision for its abolition is found in one of the bills now in conference. In view of that fact it seems to me that this item should be stricken from the bill. It seems, Mr. President, that when a bureau or executive agency is created it becomes immortal; it entrenches itself and has sufficient resources and influence to defy all assaults from Congress. Mr. President, bureaus and Federal agencies and instrumentalities stand like the great pyramids; they can not be moved and they look with complacency upon attacks from all sources. The Senator from Ohio a few moments ago, with his experience and wisdom, indicated how futile are the attempts to bring about reforms in the executive departments of the Government.

An appropriation of more than \$1,374,000 is carried in this bill for the Civil Service Commission. Mr. President, this organization has not accomplished the results which its protagonists claimed it would accomplish. Its personnel has been increased and its appropriations have likewise been increased.

Nearly \$800,000 of this sum is to pay the salaries and expenses of the commissioners, and the personnel of the commission who are in the District of Columbia. More than \$400,000 is carried in the bill for the salaries of the field force, and other items are found in the bill, making the aggregate, as I have stated, of more than \$1,374,000. Mr. President, there should be a reduction in this appropriation of at least \$100,000.

Mr. President, there are large appropriations for employees of the Compensation Commission and the Federal Board for Vocational Education and for so-called vocational rehabilitation. I have examined the hearings and in my opinion these appropriations are too large. There should be reasonable reductions in the appropriation for each of these organizations.

The Federal Farm Board is still in existence, and there is an item of \$500,000,000 carried in the bill. If I understand the language of the bill, it is to meet some of its expenses between the 1st of July and the 31st of December of this year. Bills are pending in both branches of Congress for the abolition of this organization. A number of bills before committees restrict its operations and seek to transfer whatever vestiges of the organization remain to the Department of Agriculture. It is quite likely, Mr. President, that within the near future, under the reorganization which will soon be effected in the Government departments, the act creating the Farm Board will be greatly modified if not repealed, and the Agricultural Department will be charged with the responsibility of performing such duties now discharged by the board as Congress may devolve upon it. There is a general feeling that the Farm Board has failed to accomplish that for which it was created. More than \$400,000,000 have been lost in the operations of the board, and what additional losses will be sustained it is difficult to determine. Undoubtedly most of the \$500,000,000 taken from the taxpayers has been lost, and the Treasury of the United States will probably lose a considerable part of whatever assets now remain.

Mr. President, the bill carries a large appropriation, nearly \$800,000 for the Radio Commission. While that organization is important, in my opinion there should be a material reduction in the appropriations provided in this bill for it. The Senate a few moments ago materially increased the appropriations for the Federal Trade Commission. In my opinion I do not think the situation was such as to justify so large an increase.

Mr. President, the bill carries a very large appropriation for the General Accounting Office. This bureau has been of incalculable benefit to the Government. It must be continued, but I believe that the appropriation of nearly \$4,000,000 is not warranted at the present time.

The appropriation carried in the bill for the Interstate Commerce Commission can not be defended. Its expenditures for years have been too great. Mr. President, I have referred to the item of \$2,313,542 providing for the valuation of railroads. In my opinion this amount is entirely too large.

When I came to the Senate in 1917 I made an investigation of the genesis of the provisions providing for the valuation of railroads. I recall that it was claimed, as has been stated, that the work could be accomplished within two or three years at a cost not exceeding two or three millions of dollars. After making an examination I reached the conclusion that the work which was being performed did not justify expenditures beyond the amount originally asked for, and in 1917 or 1918 I offered a bill repealing the provisions of the law requiring such valuation. Each year since 1913 large appropriations have been demanded and received, until, as the record shows, more than \$50,000,000 have been absorbed in this undertaking, the results of which

are not commensurate with the expenditures. The reports of valuation have no limit of finality, and do not constitute a sufficient basis upon which to rest judgments or findings as to the value of the properties of the railroads of the United States.

I am in accord with the views expressed by the Senator from Iowa. However, Mr. President, I shall insist, when the next appropriation bill comes before the Senate dealing with the Interstate Commerce Commission, that there be important reductions in any appropriation which shall be made in behalf of the valuation section.

Mr. President, I do not approve of the appropriation provided in the bill for the Office of Public Buildings and Public Parks of the National Capital. I protest against the enormous sum carried in the bill amounting to \$2,568,235,000. I also object to the enormous appropriations which have been made for Federal buildings in the District of Columbia. The cost of the Department of Commerce Building can not be justified, nor can appropriations for other Federal buildings be justified at this time.

Mr. President, I believe that the appropriation for the Tariff Commission is excessive. There should be a reduction made. The bill carries a large sum for the United States Shipping Board and the Emergency Fleet Corporation. These organizations have been the recipients of hundreds of millions—indeed billions of dollars. The bill in effect provides for \$50,000,000 to carry out the merchant marine act of 1920 and also carries an item of nearly \$3,000,000 for the salaries of the Fleet Corporation assigned to the Shipping Board. One million dollars is provided to meet the expenses of liquidating some of the ships and property of the corporation and \$10,000,000 is reappropriated to enable the United States Shipping Board Emergency Fleet Corporation to operate ships or lines of ships which have been taken back from purchasers by reason of competition or other methods employed by foreign shipowners or operators. In other words, ships which are sold may be taken back by this corporation and operated at the expense of the taxpayers of the United States.

Under the head of Veterans' Administration, the bill carries an appropriation aggregating \$945,988,634. I regret that the committee appointed for the purpose of investigating the entire question involved in appropriations for veterans has not concluded its labors and of course has not submitted its report to Congress.

Mr. President, I can only repeat what I have so imperfectly stated, that this as well as other appropriation bills which have been before the Senate, impose a great burden upon the taxpayers of the United States.

I appreciate that opposition to the bill will be ineffective. I can only protest against its passage in its present form.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Iowa.

Mr. DICKINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Schuyler
Austin	Couzens	Kean	Sheppard
Bailey	Cutting	Kendrick	Shipstead
Bankhead	Dale	King	Shortridge
Barbour	Davis	La Follette	Smith
Barkley	Dickinson	Logan	Smoot
Bingham	Dill	Long	Steiwer
Black	Fess	McKellar	Stephens
Blaine	Fletcher	McNary	Swanson
Borah	Frazier	Moses	Thomas, Idaho
Bratton	George	Neely	Thomas, Okla.
Brookhart	Glass	Norbeck	Townsend
Broussard	Glenn	Norris	Trammell
Bulkeley	Goldsborough	Nye	Tydings
Bulow	Gore	Oddie	Vandenberg
Byrnes	Grammer	Patterson	Wagner
Capper	Hale	Pittman	Walcott
Caraway	Harrison	Reed	Walsh, Mass.
Carey	Hastings	Reynolds	Watson
Clark	Hatfield	Robinson, Ark.	White
Coolidge	Hayden	Robinson, Ind.	
Copeland	Hebert	Russell	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. DICKINSON].

On a division, the amendment was rejected.

The PRESIDENT pro tempore. The bill is still open to amendment.

Mr. KING. Mr. President, when an amendment of the importance and merit of the one just rejected fails to command any considerable support it indicates the unwillingness of the Senate to support platform pledges or efforts to economize.

Mr. President, on page 9, I move to strike out lines 7 to 15, inclusive, being the provision for an appropriation of \$143,600 for the Bureau of Efficiency. In connection with the motion I desire to read from a letter addressed by the Comptroller General of the United States, Mr. McCarl, to the Hon. FREDERICK E. STEIWER, chairman of the Committee on Expenditures in the Executive Departments. That committee has under consideration a bill offered by me for the abolition of this bureau. Without reading all of the letter I invite particular attention to the part bearing upon the motion which I have just made:

The act of May 10, 1916, in making an appropriation for the Bureau of Efficiency included to enable it "to investigate duplication of statistical and other work and methods of business in the various branches of the Government service.

That was the purpose of it. It was recognized by Congress that there were duplications and inefficiency in executive departments; and it was thought that if a bureau of efficiency was created and given authority to go into the governmental organizations and weed out the inefficient and incompetent employees, and ascertain where parallel activities might be avoided and economies obtained, there would be great savings to the taxpayers.

This additional purpose was continued in the appropriation acts of March 3, 1917, and July 3, 1918, the appropriation act of March 3, 1917, also including certain other investigations to be reported to Congress at the next regular session. By the act of May 16, 1928, the powers and duties of the Bureau of Efficiency prescribed by law with reference to investigations in the executive departments and independent establishments of the Federal Government were extended to include the municipal Government of the District of Columbia.

That was wholly unnecessary and wholly undesirable from my point of view and from my understanding of the work of the District Committee of the Senate.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Utah yield to his colleague?

Mr. KING. I yield.

Mr. SMOOT. I want to call the Senator's attention to the fact that if the economy provision becomes a law, of course, this appropriation will not be effective, but we have to provide in this bill for the Bureau of Efficiency in case the economy provision of the appropriation bill does not become a law. I will say to the Senator that if it does, then, of course, this money will not be expended.

Mr. McKELLAR. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. Of course the economy provision, abolishing the Bureau of Efficiency, will not become the law. The bill has been in conference for some time and has been reported back to the House, and I believe the House has stricken that provision out. But whether that has been done yet or not is immaterial, because it will be done eventually. That was one of the real economy items in the bill that was adopted. It will be remembered that the House unanimously, as I recall, joined the majority in the Senate to strike out the 5 per cent Bratton amendment, so called, which brought about a saving of about \$150,000,000; and another amendment which brought about another saving of \$19,000,000; and another one which I offered, relating to tax refunds, which probably would have resulted in a saving of not less than \$50,000,000; or a total of more than

\$200,000,000. In other words, if I understood the result of the conference report, it is that substantially all of the economies which the Senate committee spent months in bringing about and which the Senate adopted, have been utterly destroyed in conference, and we will have practically no economy.

The Bureau of Efficiency is like a fifth wheel of a wagon. The head of the bureau is a very delightful gentleman by the name of Herbert D. Brown. This bureau is maintained in order to keep him in office. We might as well call things by their right names. It is of no earthly use to this Government. All the service that is rendered is performed in a much better way by the Comptroller General's Office and by the Bureau of the Budget. It is merely a bureau for the benefit of one man; and we have kept it going year by year at a cost of about \$150,000, which means, in the aggregate, in the neighborhood of two and one-half million dollars or three million dollars of expenditures that are fastened on the American people in these hard times. It is a wicked misuse of Government funds.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. The junior Senator from Utah has the floor.

Mr. KING. I will yield to the Senator from Nebraska in a moment.

Mr. McKELLAR. I hope that the amendment of the Senator from Utah striking out this provision will be adopted, as it ought to be adopted, for, as I have said, there is no earthly use of continuing it.

Mr. NORRIS and Mr. SMOOT addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield; and if so, to whom?

Mr. KING. I yield first to the Senator from Nebraska.

Mr. NORRIS. I want to ask the Senator from Tennessee a question. As I understand, the Bureau of Efficiency has already been abolished by a bill which has passed the Senate?

Mr. McKELLAR. The Senate struck out the provision for the Bureau of Efficiency, but when the bill went to conference the amendment of the Senate was stricken out.

Mr. NORRIS. I thought the House had agreed to that provision.

Mr. McKELLAR. It was stricken out by a majority of the conferees and then by the House.

Mr. NORRIS. I had a misconception, then. I had an idea that the House had agreed to the amendment; and if that were true, there would be no use of this appropriation.

Mr. McKELLAR. None whatever.

Mr. SMOOT. Under a bill which has previously passed the Senate the Bureau of Efficiency was transferred to the Bureau of the Budget. That was in the economy section of the Treasury and Post Office appropriation bill. Nothing was said as to how many of the employees of the bureau should be transferred to the Budget Bureau, but the work now being performed by the Bureau of Efficiency was to be transferred to the Bureau of the Budget. At the present time it does not look as if we are going to pass that bill at this session of Congress. Therefore the House put in this bill the provision which appears for the Bureau of Efficiency. That is the program exactly as it is.

I will say to the Senate that if the economy bill shall pass, and if the Bureau of Efficiency shall be transferred to the Bureau of the Budget, then, of course, this appropriation will not be used at all.

Mr. NORRIS. Then, the Senator, it seems to me, ought to agree to this amendment. If the Bureau of Efficiency shall be abolished there will be no need for this appropriation and it ought to be stricken out. On the other hand, if the House view prevails, and the Bureau of Efficiency is retained, then the Senate could recede from its amendment. If we leave the provision in this bill it will not be in conference. The only way to get it into conference is to strike it out.

Mr. McKELLAR. Absolutely.

Mr. NORRIS. If, in the meantime, the Bureau of Efficiency shall be abolished, and we do not strike it out, we

will have made an appropriation and there will be no way to rectify the mistake of making an appropriation for a bureau that does not exist.

Mr. SMOOT. The Senator is correct. If the conferees do not act upon this bill before action is taken and an agreement reached on the economy provisions of the bill which has already passed, we would have to hold this bill up until we finally agree upon the other bill.

Mr. NORRIS. It would naturally follow that action on the other bill would take precedence over action on the pending bill, because the other bill has already been in conference for some time.

Mr. SMOOT. We would not succeed in getting all the appropriation bills through if we had to wait upon the conference report on the other bill.

Mr. NORRIS. Have the conferees agreed on that bill?

Mr. SMOOT. They have not.

Mr. NORRIS. It seems to me the only safe thing to do is to strike out the provision from this bill.

Mr. McKELLAR. And let it go to conference?

Mr. NORRIS. Yes.

Mr. McKELLAR. Of course, that is the only proper thing to do, in my judgment.

Mr. President, if the Senator from Utah will yield further—

Mr. KING. I yield.

Mr. McKELLAR. I will read from section 14 of the economy bill, as follows:

SEC. 14. The Bureau of Efficiency and the office of chief of such bureau are hereby abolished; and the President is authorized to designate another officer to service in place of the Chief of the Bureau of Efficiency on any board, commission, or other agency of which the Chief of the Bureau of Efficiency is now a member.

Under the present law he is a member of a number of boards and commissions. Then the economy bill provides that all records of the Bureau of Efficiency shall be turned over to the Bureau of the Budget, in which so much of the present work of the Bureau of Efficiency is duplicated.

I think the Senator from Utah and the Senator from Nebraska are entirely right, and, under any circumstances, this provision ought to be stricken out of the pending bill and the matter carried to conference.

Mr. SMOOT. Mr. President—

Mr. KING. I yield to my colleague.

Mr. SMOOT. The only thing that would happen would be that this bill might be held up for perhaps weeks, although there are some provisions of the bill that ought to become a law. I agree with the Senator from Tennessee that by striking out this provision it will be in conference, but the conferees could not agree upon this bill, as evidently the House could not agree, because they have already taken action regarding the Bureau of Efficiency, until it is finally decided what will become of the economy provisions of the Post Office and Treasury appropriation bill. That is all there is to it. I care not whether we strike this item out or not, other than for the reasons I have mentioned.

Mr. KING. Then, I ask my colleague to accept the amendment and let it go to conference.

Mr. SMOOT. I do not want to deceive my colleague in the matter, I am willing to let it go out, but if there shall be a deadlock on the economy provisions of the Treasury and Post Office bill I do not want to be charged with being disloyal to the Senate if the Senate conferees have to yield on this item.

The VICE PRESIDENT. The Chair feels that he should call attention to the fact that the amendment should include lines 16, 17, and 18, because those two appropriations ought to go together.

Mr. KING. I thank the Chair for the suggestion and I so modify my motion.

Mr. SMOOT. The portion of the bill referred to by the Chair is a part of the provision and should also go out.

Mr. KING. I include in my motion lines 6 to 17, inclusive.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING].

The amendment was agreed to.

Mr. KING. Mr. President, as a part of my remarks, I ask leave to insert in the RECORD a letter from Mr. McCarl bearing upon this subject.

The VICE PRESIDENT. Without objection, it is so ordered. The letter referred to is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,

March 23, 1932.

HON. FREDERICK STEIWER,

Chairman Committee on Expenditures in the

Executive Departments, United States Senate.

MY DEAR MR. CHAIRMAN: There has been considered your request for report on S. 2488, pending before your committee, and particularly with reference to any information that this office may furnish as to any saving that might result if such legislation were enacted into law.

The bill provides, in substance, that there shall be abolished the Bureau of Efficiency; that all the records and papers of such bureau shall be transferred to the United States Civil Service Commission; and that all unexpended appropriations for the use of said Bureau of Efficiency available at the time the act takes effect shall be covered into the Treasury of the United States.

The act of August 23, 1912 (37 Stat. 413), provided, in section 4, that the Civil Service Commission should establish, subject to the approval of the President, a system of efficiency ratings for the classified service in the several executive departments in the District of Columbia based upon records kept in each department and independent establishment with such frequency as to make them as nearly as possible records of fact. Apparently there was administratively established in the Civil Service Commission a division of efficiency to establish such ratings (see act March 4, 1915, 38 Stat. 1008), and by the act of February 28, 1916 (39 Stat. 15), this division of the Civil Service Commission was separated from the commission and made an independent establishment to be known as the Bureau of Efficiency. It was made the duty of the Bureau of Efficiency to make the efficiency ratings which had theretofore been imposed on the Civil Service Commission and to investigate the administrative needs of the service relating to personnel in the several executive departments and independent establishments imposed on the Civil Service Commission by the act of March 4, 1913 (37 Stat. 750).

The act of May 10, 1916 (39 Stat. 76), in making an appropriation for the Bureau of Efficiency included to enable it "to investigate duplication of statistical and other work and methods of business in the various branches of the Government service." This additional purpose was continued in the appropriation acts of March 3, 1917 (39 Stat. 1080), and July 3, 1918 (40 Stat. 768), the appropriation act of March 3, 1917, also including certain other investigations to be reported to Congress at the next regular session. By the act of May 16, 1923 (45 Stat. 576), the powers and duties of the Bureau of Efficiency prescribed by law with reference to investigations in the executive departments and independent establishments of the Federal Government were extended to include the municipal government of the District of Columbia, and the act of May 20, 1923 (45 Stat. 886), made a certain sum of the bureau appropriation available "to secure actuarial data in connection with the various retirement plans for teachers in the District of Columbia and for civil-service employees."

The act of February 20, 1929 (45 Stat. 1233), required the chief of the Bureau of Efficiency to certify annually to the Bureau of the Budget, along with his estimates of appropriations for the ensuing year, "a statement of the amount of the savings which he estimates have been effected in the various bureaus and offices of the Government, including the District of Columbia, as a result of the surveys and recommendations made by the Bureau of Efficiency in cooperation with the bureau or office involved during the previous fiscal year," and there are possibly other statutes permitting employment of the services of the Bureau of Efficiency temporarily or otherwise and in connection with similar administrative matters.

The work that apparently caused the creation of the Bureau of Efficiency; that is, efficiency ratings for personnel in the executive branch, having since been acted upon by the Congress and the administration of the classification laws intrusted to the Personnel Classification Board, the bureau seems to have since been functioning largely as an investigating agency, and, of late, principally in making investigations and observations for committees of the Congress. The extent of its work in this connection during recent years has apparently been such as to make the question of a need for its continuance largely one as to the desire of Congress for its services as an independent establishment.

There appears talent in the bureau that could continue to serve the Government well, but to retain the entire organization—and as an independent establishment of the executive branch for investigational work of the character that has recently engaged its attention—might be of doubtful wisdom, inasmuch as established agencies having other duties appear adequately equipped and able to render such service. Of course, to give the bureau other than investigational authority would at once involve duplication of both work and jurisdiction.

There is for pointing out in this connection that the Bureau of Efficiency in its present state is an establishment in the executive branch—not the legislative—and in estimating its future usefulness no doubt the Congress will wish to give consideration to this phase of the matter.

In connection with the proposal to abolish the bureau it is respectfully suggested there be considered the wisdom of trans-

ferring its activities, personnel, etc., to an establishment having investigational duties and force, preferably having relation to the legislative rather than the executive branch, to the end that the incomplete work of the bureau may be finished, the better talent continued in the Government's service, and through the nonfilling of vacancies as they occur, ultimately accomplish substantially the reduction in personnel and the savings contemplated by the pending bill.

A similar report is being sent to the Hon. JOHN J. COCHRAN, chairman of the Committee on Expenditures in the Executive Departments, House of Representatives, on similar H. R. 8388, pending before his committee.

Sincerely yours,

J. R. McCARL,

Comptroller General of the United States.

Mr. KING. Mr. President, while I have the floor, I should like to make one further observation. May I say to the Senator from Tennessee that if the report is true that the economy provisions of the bill which were adopted by the Senate and which would save the Government between two and three hundred million dollars a year—

Mr. McKELLAR. About \$205,000,000, as I estimate it. Of course we can not be absolutely accurate about it.

Mr. SMOOT. The Senator's figures are about correct.

Mr. McKELLAR. They are substantially correct.

Mr. SMOOT. Yes; they are substantially correct.

Mr. McKELLAR. The saving will amount to about \$205,000,000.

Mr. KING. If the conferees report back to their respective Houses that the Senate's amendments are to be rejected, in other words, if the House prevails in its position, much as I should dislike to see that appropriation bill or any other pending appropriation bill fail at this session, I think the Senate would be entirely justified in rejecting the conference report, even though it resulted in the failure of the measure to become law. There will soon be a special session, and a bill will then be passed that will materially reduce the amount carried in this bill referred to.

Senators will recall that in the closing hours of the short session in February and March, 1919, opposition was manifested in the Senate to a number of appropriation bills that had passed the House, and Congress adjourned without them being enacted into law. When Congress met in special session in April or May, 1919, as I recall, appropriation bills were promptly passed, carrying reductions of appropriations amounting to over \$800,000,000; that is to say, the aggregate appropriations carried by the bills were approximately \$800,000,000 less than provided in the bills which failed to pass the Senate during the short session.

Mr. SMOOT. Mr. President, I think my colleague is wrong as to the amount of the reduction in the two bills, but there was a saving.

Mr. KING. I am certain that I have not overstated the reductions made. My colleague will recall that there were stupendous sums carried in the bills not passed for the Army and the Navy, and the reductions made in these measures saved hundreds of millions of dollars. I know the able Senator from Idaho [Mr. BORAH] with others protested against the enormous appropriations carried in the naval appropriation bill as sent to us from the House, and that bill and the Army appropriation bill, as well as several others, were considered in the special session and speedily passed, with the result that there was a great saving to the taxpayers of the United States. So if we should be compelled to reject the conference report upon the Post Office and Treasury appropriation bill because of the action of conferees, there would be no great loss to the country, because I feel sure that when the Congress convenes in April or May a measure will be enacted that will carry an amount greatly below the total recommended by the conferees.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. BORAH. Is the Senator speaking of the conference report on the Post Office and Treasury appropriation bill which contains the so-called economy provision?

Mr. KING. Yes.

Mr. BORAH. I certainly agree with the views of the Senator, and I hope that conference report, unless it contains those provisions, will be defeated.

Mr. KING. I shall be very glad to be associated with the able Senator from Idaho in the contest which will follow the report of the conferees if it should be submitted in the form indicated by the Senator from Tennessee.

The VICE PRESIDENT. The bill is before the Senate and open to amendment. If there be no further amendments, the question is, Shall the amendments be ordered to be engrossed and the bill read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MINING CLAIMS IN UNITED STATES AND ALASKA

The VICE PRESIDENT laid before the Senate a communication from the House of Representatives returning to the Senate, in compliance with its request, the joint resolution (H. J. Res. 533) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

Mr. BORAH. Mr. President, after this measure was passed by the Senate the Senator from South Dakota [Mr. NORBECK] entered a motion to reconsider the vote whereby the joint resolution was ordered to be engrossed for a third reading, read the third time, and passed. I am now authorized by the Senator from South Dakota to withdraw that notice and motion.

The VICE PRESIDENT. Is there objection to the withdrawal of the motion? The Chair hears none, and the motion is withdrawn.

Mr. BORAH. Now I move that the Senate insist upon its amendment and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. PATTERSON, Mr. ODDIE, and Mr. HAYDEN conferees on the part of the Senate.

BOOKS FOR THE ADULT BLIND

Mr. SMOOT. Mr. President, there is a bill on the calendar, being House bill 13817, to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931. I ask unanimous consent for the consideration of that bill.

The VICE PRESIDENT. The Senator from Utah asks unanimous consent for the present consideration of the bill, the title of which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 13817) to amend section 1 of an act entitled "An act to provide books for the adult blind," approved March 3, 1931.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BLAINE. Mr. President, I am not entirely familiar with the bill, but I understand that it is a very brief one. I have received communications from some of the institutions for the blind under the jurisdiction of States, and my understanding is that those institutions object to the passage of the bill. I should like to be able to secure those communications and ascertain whether or not that is a fact.

Mr. SMOOT. I assure the Senator that the fact is just the reverse; and if he does not find that to be the case I will ask for a reconsideration of the matter to-morrow. The American Foundation for the Blind (Inc.) writes me the following letter, signed by its president:

The bill (H. R. 13817) has been reported out from Senator MERCALF's Committee on Education and Labor. This is the bill that you were good enough to present, permitting the use of funds appropriated for printing Braille books to be employed for talking books, as well, and phonograph records.

This is a marvelous invention, Mr. President. By means of it there are made available for the blind so-called "talking books" which can be put on a phonograph or a talking machine and reproduced just as plainly as if a person were talking.

Mr. BLAINE. Mr. President, if the Senator will withhold his request until I can send for the communications I have,

it will take only a few minutes. I will send over to my office immediately. I object for the time being.

The VICE PRESIDENT. The Senator objects for the present.

LEGISLATIVE APPROPRIATIONS

Mr. HALE. I move that the Senate proceed to the consideration of House bill 14562, being the legislative appropriation bill.

The VICE PRESIDENT. That would necessitate displacing the unfinished business, if the Senator wants to do that.

Mr. HALE. What is the unfinished business?

The VICE PRESIDENT. The so-called bankruptcy bill.

Mr. HALE. Then, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the legislative appropriation bill.

Mr. KING. Mr. President, I shall feel constrained to object unless the Senator assures us that the proposal meets with the approval of the Senator from Delaware [Mr. HASTINGS].

Mr. HALE. I think there is no question about that.

Mr. KING. If he does, he is entitled to the right of way.

Mr. HALE. I think he understands the situation.

Mr. KING. I would not want him to be taken advantage of in his absence.

Mr. HALE. I think there is no question of that, Mr. President.

Mr. FESS. The unfinished business could be brought before the Senate at any time.

The VICE PRESIDENT. The Chair understands the Senator from Maine to ask unanimous consent for the consideration of the bill referred to by him.

Mr. HALE. Yes.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 14562) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1934, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. HALE. I ask that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. FESS. Mr. President, some Senators who are not present have suggested to me that they desire to be present when this bill is taken up. Therefore, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Robinson, Ind.
Austin	Couzens	Kean	Russell
Bailey	Cutting	Kendrick	Schuyler
Bankhead	Dale	King	Sheppard
Barbour	Davis	La Follette	Shipstead
Barkley	Dickinson	Logan	Shortridge
Bingham	Dill	Long	Smith
Black	Fess	McGill	Smoot
Blaine	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Stephens
Bratton	George	Metcalf	Swanson
Brookhart	Glass	Moses	Thomas, Idaho
Broussard	Glenn	Neely	Thomas, Okla.
Bulkeley	Goldsbrough	Norbeck	Townsend
Bulow	Gore	Norris	Trammell
Byrnes	Grammer	Nye	Tydings
Capper	Hale	Oddie	Vandenberg
Caraway	Harrison	Patterson	Wagner
Carey	Hastings	Pittman	Walcott
Clark	Hatfield	Reed	Walsh, Mass.
Coolidge	Hayden	Reynolds	Watson
Copeland	Hebert	Robinson, Ark.	White

The PRESIDING OFFICER (Mr. COUZENS in the chair). Eighty-eight Senators having answered to their names, a quorum is present. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 10, line 19, to change the item for reporting the

debates and proceedings of the Senate from \$54,306 to \$55,312.

The amendment was agreed to.

The next amendment was, on page 10, line 26, after the name "Senate," to strike out "\$27,288" and insert "\$47,288," so as to read:

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate, under the supervision of the Committee on Rules, United States Senate, \$47,288.

The amendment was agreed to.

The next amendment was, under the heading "Architect of the Capitol, Capitol Buildings and Grounds," on page 26, line 17, after the word "agent," to strike out "\$164,360" and insert "\$200,000," so as to read:

Senate Office Building: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment and for labor and material incident thereto and repairs thereof; and for personal and other services for the care and operation of the Senate Office Building, under the direction and supervision of the Senate Committee on Rules, acting through the Architect of the Capitol, who shall be its executive agent, \$200,000.

The amendment was agreed to.

The next amendment was, under the heading "Government Printing Office," on page 36, line 18, after the word "buildings" and the semicolon, to insert "for construction of a 1-story fireproof extension to the Government Printing Office on lots 813, 814, 828, square 624, District of Columbia, not to exceed \$25,500, to be paid from the working capital fund for the Government Printing Office," so as to read:

To provide the Public Printer with a working capital for the following purposes for the execution of printing, binding, lithographing, mapping, engraving, and other authorized work of the Government Printing Office for the various branches of the Government: For salaries of Public Printer and Deputy Public Printer; for salaries, compensation, or wages of all necessary officers and employees additional to those herein appropriated for, including employees necessary to handle waste paper and condemned material for sale; to enable the Public Printer to comply with the provisions of law granting holidays and half holidays and Executive orders granting holidays and half holidays with pay to employees; rents, fuel, gas, heat, electric current, gas and electric fixtures; bicycle, motor-propelled vehicles for the carriage of printing and printing supplies, and the maintenance, repair, and operation of the same, to be used only for official purposes, including operation, repair, and maintenance of motor-propelled passenger-carrying vehicles for official use of the officers of the Government Printing Office when in writing ordered by the Public Printer; freight, expressage, telegraph, and telephone service, furniture, typewriters, and carpets; traveling expenses; stationery, postage, and advertising; directories, technical books, newspapers and magazines, and books of reference (not exceeding \$500); adding and numbering machines, time stamps, and other machines of similar character; rubber boots, coats, and gloves; machinery (not exceeding \$300,000); equipment, and for repairs to machinery, implements, and buildings, and for minor alterations to buildings; for construction of a 1-story fireproof extension to the Government Printing Office on lots 813, 814, 828, square 624, District of Columbia, not to exceed \$25,500, to be paid from the working capital fund for the Government Printing Office.

The amendment was agreed to.

The next amendment was, on page 37, line 16, after the name "Government Printing Office," to insert "(except the appropriation herein made for 'Salaries, office of Superintendent of Documents')," so as to read:

In all, \$1,750,000, and in addition thereto the sums resulting during the fiscal year 1934 from the application during such fiscal year to the Government Printing Office (except the appropriation herein made for "Salaries, office of Superintendent of Documents") of the provisions of law relating to the legislative furlough, compensation reductions, and reduced differential for night work, to the extent of not to exceed \$1,000,000, shall be credited to the working capital for the fiscal year 1934 and shall be available for such fiscal year for the purposes of this paragraph; to which shall be charged the printing and binding authorized to be done for Congress, the printing and binding for use of the Government Printing Office, and printing and binding (not exceeding \$2,000) for official use of the Architect of the Capitol when authorized by the Secretary of the Senate; in all to an amount not exceeding this sum.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. HALE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Maine offers an amendment, which will be stated.

The CHIEF CLERK. On page 29, after the word "library," in line 4, it is proposed to insert:

Provided, That the quarters, heat, light, fuel, and telephone service heretofore furnished for the director's use in the Botanic Garden shall not be regarded as a part of his salary or compensation, and such allowances may continue to be so furnished without deduction from his salary or compensation, notwithstanding the provisions of section 3 of the act of March 5, 1928 (U. S. C., title 5, sec. 678), or any other law.

Mr. HALE. Mr. President, in the House the provision regarding the deduction of light, heat, and quarters from the salary of the Superintendent of the Botanic Garden was eliminated on a point of order. Unless it goes in this bill those items would have to be deducted from his salary. It is not fair that that should be done. In the past it has not been done.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maine.

Mr. KING. I will ask the Senator from Arizona his view of the matter.

Mr. HAYDEN. Mr. President, this matter was considered in the committee, and the chairman was authorized to offer the amendment.

Mr. KING. I have no objection.

The amendment was agreed to.

Mr. COPELAND. Mr. President, on page 10, line 26, we have just adopted an amendment relating to the Senate kitchens and restaurants. I offer, as a further amendment, to insert the words "\$10,000 of which shall be immediately available."

The PRESIDING OFFICER. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered, and the amendment of the Senator from New York to the amendment will be stated.

The CHIEF CLERK. On page 10, line 26, after "\$47,288," and before the period, it is proposed to insert:

\$10,000 thereof to be immediately available.

Mr. HALE. Mr. President, I hope the amendment of the Senator from New York will be accepted. It is necessary for the prompt execution of the work.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. COPELAND. Mr. President, on page 26, line 17, I desire to call the attention of the Senate to a matter and let the Senate do as it pleases regarding it; but it relates to the roof of the Senate Office Building.

The roof of the Senate Office Building is of copper, but it was laid on galvanized-iron ribs. If Senators are interested, and will look at the samples which I present, they will see how the entrance of water and the rusting of the galvanized iron has resulted in the destruction of these ribs. The Architect of the Capitol says that in order to make the building safe the copper will have to be taken off, and a new and better arrangement of ribs arranged for and placed upon the roof.

I am perfectly satisfied for myself to let the matter go if the Senate so decides; but the condition is such that it requires constant expense to keep the roof from leaking, and all the time there is a chance that a wind storm might lift the entire roof off the building. It will cost \$62,000 to repair the roof, and the Senate must decide what it chooses to do regarding the matter.

Mr. HALE. Mr. President, I hope the Senator from New York will not insist upon the amendment. The committee went into this matter very thoroughly. The Architect of the Capitol told us that we could get along with temporary repairs on this roof for a matter of a year.

As far as the danger of the copper roof blowing off and doing damage to some outsider is concerned, I do not think we have to fear that. There is a railing around the outside of the roof, and the architect told me there was no chance that it might blow off into the street.

Mr. COPELAND. Mr. President, I am not going to press the matter, but I think the Senate ought to know exactly what the situation is. Then if we wake up some time and find the roof of the Senate Office Building in the Street, at least I shall have the satisfaction of knowing that the attention of the Senate has been called to the matter.

One other matter, Mr. President.

The PRESIDING OFFICER. Does the Senator offer an amendment on the subject just referred to by him?

Mr. COPELAND. No; I am not going to offer an amendment, unless somebody here has been inspired to want to do the thing which would protect the building. I know that the feeling of the architect is that in all human probability the roof will be there next year and perhaps another year. Nevertheless, it is right to protect him as well as to protect the committee by letting the Senate know the facts.

Mr. President, I am a member of the subcommittee of the Committee on Appropriations, having charge of the legislative bill, but I could not be present when the bill was written up. I was away attending a funeral.

In addition to what I have said I may remark that I have been asked by the leader on this side to serve as a subcommittee having charge of the Senate Office Building, temporarily, at least. The amount which the committee has allowed in line 17, page 26, is not sufficient to operate the old building and the new wing. Last year it cost \$164,360 to operate the old building. We have the new wing, which contains 26 suites of offices and committee rooms. The amount estimated by the Architect of the Capitol and the superintendent of the building for the operation of the new wing is \$35,640, which added to the amount which it cost to operate the old building the past year would absorb every cent of the \$200,000.

Mr. President, it is necessary to do some painting, and to take care of the moving of the effects of the Senators from the old building into the new wing, which will cost money, and some of the awnings are out of repair. More than that, there is but one motor to operate the elevators, there is no reserve motor, and if the present one were burned out, the elevators could not run. Repairs are necessary to the elevators which require some machine-shop equipment, and it has been estimated that an amount of \$15,500 in addition to the \$200,000 will be needed to operate the old building, plus the new wing, and take care of these things of which I have just spoken.

In view of what I have said, I move that the amount stated in the bill, \$200,000, on page 26, line 17, be increased to \$215,500.

Mr. HALE. Mr. President, as I understand it, next year the Senator is to have control, under the Committee on Rules, of the Senate Office Building.

Mr. COPELAND. Temporarily, at least.

Mr. HALE. I have every confidence in the Senator, and I believe that he will administer the building wisely. In view of the fact that we are trying to economize in every way possible, and are hoping the Senator can make some further economy in the operation of the building, can he not get along with the amount we have already provided in the bill?

Mr. COPELAND. I hope I can, but when I talk with the men who have operated the building, and they put before me figures which I have gone over repeatedly, I am forced to believe that the sum fixed is too low. Had I been in the meeting of the subcommittee when the bill was written up I should have made the same effort I am making here. I think the amount recommended is not sufficient.

I pledge to the Senate, as I have to my leader on this side, that, while I have the power to be reposed in me temporarily, I shall do all I can to economize. But it is unwise to ask an impossibility, and I think it is not unreasonable at all to ask that this sum be fixed as I have suggested.

Mr. ROBINSON of Arkansas. Mr. President, I believe the chairman of the committee should accept this amendment and let it go to conference.

Mr. HALE. Mr. President, it is the Senators on the other side of the aisle who will have charge, and if they believe

it is necessary, I will accept the amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New York. The amendment was agreed to.

Mr. COPELAND. Mr. President, one more thing. I should like to have added to the amendment which has just been adopted the words "and \$1,000 shall be immediately available."

The purpose in asking for \$1,000 is to enable the superintendent of the building to have the doors cut in the old part of the building, so as to change the suites into 3-room suites.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I ask that my amendment be laid before the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Arizona [Mr. HAYDEN] offers the following amendment:

Page 2, strike out lines 14 to 25, inclusive, and lines 1 to 16, inclusive, page 3, and insert:

"Salaries: Secretary of the Senate, including compensation as disbursing officer of salaries of Senators and of contingent fund of the Senate, \$8,000; chief clerk, who shall perform the duties of reading clerk, \$5,500 and \$1,000 additional so long as the position is held by the present incumbent; financial clerk, \$5,000 and \$1,000 additional so long as the position is held by the present incumbent; assistant financial clerk, \$4,200; minute and Journal clerk, \$4,500 and \$1,000 additional so long as the position is held by the present incumbent; principal clerk, \$3,600; legislative clerk, enrolling clerk, and printing clerk, at \$3,540 each; chief bookkeeper, \$3,600; librarian, \$3,360; executive clerk, and assistant Journal clerk, at \$3,180 each; first assistant librarian, and keeper of stationery, at \$3,120 each; assistant librarian, and assistant keeper of stationery, at \$2,400 each; clerks—1, at \$2,880 and \$300 additional so long as the position is held by the present incumbent, 3 at \$2,880 each, 2 at \$2,640 each, 1 at \$2,400, 4 at \$2,040 each, 2 at \$1,740 each; messenger in library, \$1,380; special officer, \$2,460; assistant in library, \$1,740; laborers—1 at \$1,620, 5 at \$1,380 each, one in secretary's office, at \$1,680; in all, not to exceed \$106,060.

"DOCUMENT ROOM

"Salaries: Superintendent, \$3,960; first assistant, \$3,360; second assistant, \$2,400; four assistants, at \$1,860 each; skilled laborer, \$1,380; in all, not to exceed \$16,995."

Page 4, line 2, strike out "\$2,580" and insert "\$2,880."

Page 4, line 4, strike out "\$1,800" and insert "\$1,500."

Page 7, strike out lines 16 to 25, inclusive, all of page 8, and lines 1 to 4, inclusive, page 9, and insert:

"Salaries: Sergeant at Arms and Doorkeeper, \$8,000; 2 secretaries (1 for the majority and 1 for the minority), at \$5,400 each; 2 assistant secretaries (1 for the majority and 1 for the minority), at \$4,320 each; Deputy Sergeant at Arms and storekeeper, \$4,440; clerks—1, \$2,640, 3 at \$1,800 each; messengers—3 (acting as assistant doorkeepers, including 1 for the minority), at \$2,400 each, 30 (including 2 for minority), at \$1,740 each, 4, at \$1,620 each, 1 at card door, \$2,400, and \$480 additional so long as the position is held by the present incumbent; 2 special messengers, at \$1,800 each; clerk on journal work for CONGRESSIONAL RECORD, to be selected by the official reporters, \$3,360; upholsterer and locksmith, \$2,400; cabinetmaker, \$2,040; 3 carpenters, at \$2,040 each; janitor, \$2,040; 6 skilled laborers, at \$1,680 each; laborer in charge of private passage, \$1,680; 3 female attendants in charge of ladies' retiring rooms, at \$1,500 each; 3 attendants to women's toilet rooms, Senate Office Building, at \$1,500 each; telephone operators—chief, \$2,460, 11, at \$1,560 each; laborer in charge of Senate toilet rooms in old library space, \$1,200; press gallery—superintendent, \$3,660; assistant superintendent, \$2,520; messengers for service to press correspondents—1, \$1,740, 1, \$1,440; laborers—3, at \$1,320 each; 25, at \$1,260 each; special employees—6, at \$1,000 each; 21 pages for the Senate Chamber, at the rate of \$4 per day each, during the sessions, \$13,937; in all, not to exceed \$216,691.

"Police force for Senate Office Building under the Sergeant at Arms: Special officer, \$1,740; 16 privates, at \$1,620 each; in all, not to exceed \$25,355.

"POST OFFICE

"Salaries: Postmaster, \$3,060; assistant postmaster, \$2,880; chief clerk, \$2,460; wagon master, \$2,040; 20 mail carriers, at \$1,620 each; in all, not to exceed \$39,270.

"FOLDING ROOM

"Salaries: Foreman, \$2,460; assistant, \$2,160; clerk, \$1,740; folders—chief, \$2,040, 14 at \$1,440 each; in all, not to exceed \$26,180.

"The provisions of the legislative pay act of 1929 are hereby amended so as to correspond with the changes made by this act

in the designations and rates of salary of certain positions under the Senate. This paragraph shall be effective from and after March 16, 1933."

Mr. HAYDEN. Mr. President, I was directed by the minority leader, the senior Senator from Arkansas [Mr. ROBINSON], to examine into the various positions in the offices of the Secretary of the Senate and of the Sergeant at Arms, to see whether it was possible to bring about some retrenchment in expenditures. I am glad to say that the savings proposed in the amendment I have offered are greater than was expected.

I had pay rolls made up showing not only the positions but where the persons holding the positions actually worked. To illustrate the way in which certain savings will be brought about if the amendment is agreed to, I might begin by pointing out the situation with respect to messengers on the pay roll of the Senate.

Messengers act as doorkeepers. There are nine openings to the Senate gallery. Two messengers are required at each opening, so that the services of 18 men are required. There are 5 openings to the Senate Chamber; there are 2 messengers at each door, which means 10 more. There are messengers stationed at the foot of the two private stairways. That makes a total of 30.

There are 38 messengers on the Senate pay roll. Each of them is now paid a basic salary of \$2,040 a year. Persons on the House pay roll acting as messengers, performing the same identical service as those in the Senate, receive salaries of \$1,740 per annum.

My amendment proposes to do away with 8 messengers' positions and to reduce the salaries of the 30 remaining upon the pay roll so that their salaries will be exactly the same as that received by messengers for the House of Representatives.

In the case of the Senate post office, I found a different situation. Under existing law there are 7 postal employees, called mail carriers. There are actually 21 employees in the post office, and that number is required, because they work four shifts to handle a very large quantity of mail, beginning at 3 o'clock in the morning, through the day, and into the night. I found salaries there varying from \$2,040 to \$1,250. By equalizing the salaries so that there should be equal work for equal pay, and providing for an adequate force in the office, there is still a saving of over \$500.

In the case of the Senate document room, it is possible by a rearrangement of salaries to make a saving and to pay the employees at the same rate paid to employees in the document room of the House of Representatives.

Mr. President, these illustrations demonstrate the method which is followed generally in the amendment, with the result that there will be a net saving in the office of the Secretary of the Senate of \$16,080 per annum, and in the office of the Sergeant at Arms of \$17,520 per annum, or a total annual saving of \$33,600, still providing an adequate force of attaches for the Senate.

One provision of the amendment is that these changes in compensation shall take place upon the 15th of March next. By so providing there will be an additional saving of \$9,800 between the 15th of March and the end of the fiscal year on the 30th of June, or a total saving in the next 15½ months of \$43,400.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. NYE. Mr. President, on page 30, line 24, in the paragraph dealing with the legislative reference service, I move to amend by increasing the amount, so as to read "\$68,365."

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 30, line 24, the Senator from North Dakota proposes to strike out "\$61,875" and to insert in lieu thereof "\$68,365," so as to read:

LEGISLATIVE REFERENCE SERVICE

To enable the Librarian of Congress to employ competent persons to gather, classify, and make available, in translations, in-

dexes, digests, compilations, and bulletins, and otherwise, data for or bearing upon legislation, and to render such data serviceable to Congress and committees and Members thereof, including not to exceed \$5,700 for employees engaged on piecework and work by the day or hour at rates to be fixed by the Librarian, \$68,365.

Mr. NYE. Mr. President, this matter was given some consideration in the committee, yet there was a feeling at the time that the increase was one not being sought by the Librarian, and that no encouragement had been given by the library people themselves looking to such an increase.

Mr. President, when it developed that there was a seeming resignation to the figure which had been written into the bill, I wrote to the Librarian asking him briefly what the effect of this continued cut would be, and won from him, under date of February 16, the following response:

LIBRARY OF CONGRESS,
Washington, February 16, 1933.

MY DEAR SENATOR NYE: I have your note of this morning asking the effect of the cut of \$6,490 (made for this year, and continued in the pending legislative bill) in the appropriation for our legislative reference service.

All of the appropriation is for personnel. The effect, therefore, will be to reduce this during the final quarter of this year and for the year beginning July 1. The impending extra session renders this peculiarly unfortunate; but it is also unfortunate on principle, the staff at its normal being a small one and carefully balanced.

The service is to Congress itself. It is greatly valued by certain committees and by numerous Members—and is actively drawn upon by a majority of the latter in each House. The recent demands made upon it have been overwhelming; for at no time has there been such anxious study of the principles expounded, and the experience recorded, in books.

The service constitutes apparatus—a tool for the use of Congress itself. It is a pity to impair that tool when its efficiency is of such immediate consequence.

Faithfully yours,

HERBERT PUTNAM, Librarian.

NOTE.—The volume and range of the demands are indicated by the list of recent inquiries of which I inclose a copy. Many of them required elaborate research by people with special training in history, law, economics, and foreign languages, and familiar with our collections and our bibliographic apparatus. Such people, if dropped, can not be summarily replaced.

I can see, as all Members of the Senate see, the need for a reduction in the general expenditures from the high figures to which the appropriations have mounted during the last half dozen years; but I should like to call attention to the fact that in the case of the reference service there has been no such increase during recent years as has been the case with other departments of the Government. In 1925 the Legislative Reference Service was afforded an appropriation of \$56,000, which has increased up to the present time to \$61,875. At one time it was \$67,500.

In view of the splendid service Members of Congress and the committees of Congress are receiving from that service, I hope most earnestly that the chairman of the committee may take the amendment which I have proposed and seek to accomplish that improved service or continued service so much to be desired.

Mr. HALE. Mr. President, did not the Senator, in reading the letter, read some language to the effect that this appropriation was to be used for the coming special session of Congress?

Mr. NYE. Yes.

Mr. HALE. Of course, the appropriation in the bill is for the next fiscal year, beginning July 1.

Mr. NYE. I understand; but the plans for this year have been largely built on the understanding of what they were going to have to get along without in another year, and a six weeks' furlough is in prospect right at the time when the new Congress will be convening in special session, if I may call that to the attention of the Senator.

Mr. HALE. Was there not something said at the hearings before the Appropriations Committee about several employees who would be taken care of by this item who were doing work with another department?

Mr. NYE. Yes, there was a reference to the possible transfer from the index to State legislation service, but I have been studying the Budget figures and have found that the estimates were providing to cover that item a rather limited amount:

Legislative reference: Increase incident to the transfer of certain positions upon the completion of index to Federal statute, \$1,740.

That has not been increased by either House.

Mr. HALE. So far as I am concerned, I have no objection to taking the matter to conference, but I am quite sure the House will not accept it.

Mr. NYE. As long as the chairman has indicated a willingness to take it to conference, I ask unanimous consent to have printed in the RECORD a memorandum which has been prepared covering the entire subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum is as follows:

1. The appropriation of \$61,875 for the Legislative Reference Service in the pending legislative appropriation bill presumably represents the same amount as was appropriated for the year ending June 30, 1933 (the present fiscal year), less 8½ per cent deducted from the original amount itself rather than through a subsequent impounding process now in operation under the economy program.

2. The appropriation of \$67,500 provided for the present fiscal year is short approximately \$7,500 of the appropriation for the previous fiscal year, although there have been materially increased demands upon the service by Members of the House and Senate and a correspondingly necessary increase in the personnel.

3. The shortage of \$7,500 in the appropriation for the current fiscal year is due to a misapprehension and error arising in the Senate at the time of the passage of the legislative appropriation bill as to the manner of applying the proposed 8½ per cent reduction under the economy program, for, after deducting approximately 12 per cent in the bill as reported from the Senate, the later adoption of the legislative furlough caused an additional curtailment of 8½ per cent, as contemplated under the principles of the economy program.

4. The result of the foregoing legislative activity has been to reduce the appropriation for the Legislative Reference Service during the current fiscal year by a net sum of approximately \$15,000, or 20 per cent, a part of which, 8½ per cent, is covered by the legislative furlough applying to all departments of the Government, the remainder must be made up by an administrative furlough of six weeks for the entire staff of the service.

5. This administrative furlough of six weeks to be imposed upon the entire personnel of 35 members of the Legislative Reference Service should be contrasted with the fact that although the Legislative Reference Service is a direct service of the Congress, the work of which is exclusively for the benefit of Congress, the library proper, comprising a personnel of approximately 800 members, is operating under an actually increased appropriation during the present fiscal year.

6. So that, while 800 members of the library personnel will not be required to take an administrative furlough, and although many members of the personnel of the library proper were given increased salaries through reallocations, the entire personnel of the Legislative Reference Service—only 35 in all—will be compelled to take an administrative furlough of six weeks. This despite the fact that all are employed in the Library of Congress and directly under the Librarian of Congress. Why should the Legislative Reference Service be singled out for a reduction?

7. Since the legislative reference service functions exclusively for the Members of the Congress, and directly upon the demands of the Members of Congress, and since these demands have been so numerous and so urgent, it has so far been impracticable to put the administrative furlough into operation. Unless Congress makes immediate provision for the exigency it will be necessary to shut the entire service down temporarily for a period sufficiently long to take care of the administrative furlough.

8. It is imperative to observe that although the work of the legislative reference service is exclusively for the Congress, and although it responds exclusively to the demands of the Congress, the Library of Congress proper has many departments, such as, rare book, aeronautics, fine arts, music, orientalia, Semitic literature, and Smithsonian divisions; a European representative, consultants in church history, Chinese history, culture, paleography, classical literature, Spanish literature, etc. These divisions of the Library proper have so many ramifications that they can not properly be regarded as of particular service to Congress.

9. If the appropriation for the legislative reference service contemplated in the pending bill prevails it will be necessary for the service to impose during the next ensuing year administrative furloughs for as long a period as for the present fiscal year, plus such additional furlough as will become imperative through the resumption by the service of such salaries as are at present being provided for by special appropriations to cover the cost of preparing the index to the Federal statutes for printing. The salaries for the personnel engaged in this duty will thus increase the burden upon the legislative reference service unless outright dismissals are provided for.

10. Thus, the question before Congress is: Does Congress desire to lose the benefit and services rendered by the legislative reference service by the failure to provide the small sum of \$15,000, without which the service must be temporarily suspended? Congress has provided generously for the Library of Congress proper,

although, as indicated, the Library may no longer be regarded as exclusively of service to Congress.

11. No other Federal agency is comparable with the legislative reference service. No other Federal agency renders such service, nor is equipped to render such service as is rendered by the legislative reference service. The legislative reference service is a fact-finding research service to the Congress itself. It is exclusively the agency of the Congress.

12. On February 10, of this year, Senator FESS, of Ohio, in addressing the Senate upon the subject of the Library of Congress emphasized the fact that the legislative reference service receives only the small sum of \$75,000, yet renders valuable service to the Congress. As Senator FESS manifestly regarded the small sum as hardly adequate to the needs of the service it is manifest that he would be shocked to learn that even the small sum is at present reduced \$15,000, and that no greater sum than \$61,875 is contemplated for the next ensuing fiscal year.

13. If the appropriation for the legislative reference service for the next ensuing fiscal year be retained at the low sum proposed in the pending bill, one of two alternative courses will become imperative:

(1) An administrative furlough of two months or longer, despite the provision in the present economy act that furloughs shall not be in excess of 60 days, or,

(2) The absolute dismissal of at least five members of a staff having a total personnel of only 35 in all.

14. The work of the legislative reference service should be carefully distinguished from the work of the Library of Congress proper. The function of the legislative reference service is exclusive service to the Congress based upon the requirements of Congress in connection with every problem. The functions of the Library of Congress, on the contrary, are anything but an exclusive service to the Congress. The Library of Congress has long since assumed the characteristics and functions of a national university; its activities are widely diversified, and its ramifications are extensive.

15. The legislative reference service should not be lost sight of in the vastly ramified operations, functions, and activities of the Library of Congress. It is the legislative reference service which informs Congress with respect to problems concerning legislation. The legislative reference service should not be made to suffer a reduction in a small appropriation of only \$61,875, nor a reduction in a small personnel of only 35, when the appropriation for the Library of Congress has been increased in amount and its personnel of 800 will not be compelled to suffer any reduction except that of the legislative furlough.

Mr. BYRNES. Mr. President, unfortunately we can not hear the discussion between the Senator from North Dakota and the Senator from Maine, who is in charge of the bill. We would like to know to what the amendment refers. If the Senator from Maine is going to accept the amendment I would like to know what it is.

Mr. HALE. We have already had the amendment before us.

Mr. BYRNES. I ask that it may be read again.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 30, line 24, the Senator from North Dakota proposes to strike out "\$61,875" and insert in lieu thereof "\$68,365."

Mr. NYE. Was the Senator absent from the Chamber when the letter from the librarian was being read?

Mr. BYRNES. I did not hear it read. If it has been read, I certainly did not hear it. Is this the amendment urged in the committee to compensate certain employees who have not been engaged in this work but whom we now propose should be returned to the work?

Mr. NYE. No. As nearly as can be gained from the estimates that were prepared by the Bureau of the Budget, the employees in that service dealing with the indexing of State legislation are not cared for under the amendment.

Mr. BYRNES. What is the explanation for the increase in the amount?

Mr. NYE. To provide for a continuation of the reference library in keeping with the service that we have been receiving from it in times past.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. REED. Mr. President, on page 33, line 14, I move to strike out "\$30,000" and insert "\$50,000." This is the amount of the Budget estimate for the law library in the Library of Congress. As Senators know, that library is one which we ourselves use, which is used by the Members of the House, and which is used by the Supreme Court as well. The amount ought to be \$75,000, and that has been strenu-

ously urged by the American Bar Association and by other groups of lawyers, the Federal Bar Association, and the American Patent Law Association. Some of the justices of the Supreme Court have urged that we make the amount much higher. The Budget estimate, however, was held down to \$50,000; but for some reason not explained the committee cut it down further \$20,000. That is only about one-half of what is required to keep up a law library in a first-class university.

Our law library is notably deficient in many respects. About \$400,000 would be required to purchase books that are obviously needed to round out the library. Of course, in these times we could not dream of asking for an appropriation so large, but it certainly is reasonable to ask the Congress to comply with the Budget estimate, which I find on page 15 of the Budget message of this year, and to give the \$50,000 which is urgently needed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. FESS. Mr. President, I desire to ask the chairman of the committee whether provision for the annex to the Library was discussed in the committee.

Mr. HALE. Mr. President, it was discussed in the committee at length, and, while we thought there was a great deal of merit in it, the general policy was not to go ahead with the building program at the present time. The committee decided we could get along without it at any rate for another year.

Mr. FESS. Mr. President, about five years ago we authorized the purchase of land for what we call the Annex to the Library, and also we authorized an addition to the present building. The authorization had no opposition in the Senate at all. While we authorized appropriations at that time, yet the appropriations have never been made. The authorizations amounted to about \$6,500,000. We authorized, also, the appropriation necessary to buy the land, and that appropriation was made and the land was bought. Three years ago the authorization was made to proceed with the construction of the addition. We are now completing the addition to the present building, and it evidently will be completed in the next year. The appropriation is made in this bill of about \$325,000 to complete the addition.

I think there was a general misunderstanding as to what the addition is to be. It is to have on one floor the bibliographic work, which will be the finest in the world when completed. On another floor is to be exchange work, the mailing, and so on, in which millions of items will be dealt with each year. On one of the floors is the union catalogue. I think the committee did a fine thing in making provision to complete that work.

But I notice the committee have omitted entirely the provision for even the beginning of the construction of the annex. That is a part of the original authorization. I had hoped we might have about \$1,675,000 to go on with it. I find that there is so much opposition to it because of the economy program that it was suggested that we might have an appropriation of \$422,000 to begin the construction of it—the excavation, and so on.

Mr. HALE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Maine?

Mr. FESS. I yield.

Mr. HALE. The Senator realizes, of course, that with the appropriation of \$400,000 to \$500,000 at the present time, next year we will be called upon to go ahead and complete the project. It seems to me in these times we ought to do as little as possible of that work.

Mr. FESS. The project is already begun.

Mr. HALE. It is only begun to the extent that we have bought the site. We have not begun the building.

Mr. FESS. We have the addition feature of it in process that will be completed next year.

Mr. HALE. But the annex has not been touched.

Mr. FESS. The annex and the addition are one project. We have never separated the two. In the original authori-

zation they were considered as one project. They are to be connected by a tunnel. We are just building one end of it and not the other.

Mr. HALE. But they are not actually in the same building. They may be connected by a tunnel.

Mr. FESS. It is the same building. It is not connected physically above ground.

Mr. HALE. It will do no harm to the addition if the annex is not started this year.

Mr. FESS. Mr. President, I had not expected to have that sort of statement made. Here is the project started. One part of it will be completed next year, and the other part of it is not even allowed to be begun. My concern is to have the authorization go on and at least begin the other end of the project, one end of which will be completed this year. I had hoped that the economy urge would not be sufficient that we would stop the construction of the Library project. We do not stop the construction of the other buildings. We are going on with them and that is proper. I had hoped that this unusual undertaking in connection with the Library would have the same treatment that we have given elsewhere. In order to test the committee I am going to offer an amendment.

On page 28, line 24, after the numerals "\$325,000,000" add these words:

And for the construction of the annex, \$422,000.

That makes the appropriation so we can go on with the work which we authorized three years ago, a part of which is already undertaken and will be completed this year. This is to begin the other end of the project.

Mr. BYRNES. Mr. President, I only desire to say that the committee considered the matter. We have great sympathy with the view expressed by the Senator from Ohio. The committee was of the opinion at this time, when we are pursuing a policy of economy in every other branch of the Government, that when we came to the legislative branch of the Government we should attempt to follow the same policy that we exercised as to the other departments of the Government. The matter was discussed at length and we determined that at this time, no matter how deserving or how desirable the project might be, the question was whether it is absolutely essential that it be done this year. We concluded that under the existing situation it is not an absolutely essential project at this time and could well wait until the next fiscal year. That was the motive actuating the committee in not making the appropriation, and I hope it will prevail here.

The VICE PRESIDENT. The question is on the amendment of the Senator from Ohio.

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF BANKRUPTCY ACT

The Senate resumed the consideration of the bill (H. R. 14359) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. HASTINGS. Mr. President, the bill contains two sections, with the two sections that were stricken out by the committee as the bill came from the House.

Mr. ROBINSON of Arkansas. Mr. President, would the Senator from Delaware like to have a quorum present?

Mr. HASTINGS. I was about to make an inquiry. It has been suggested to me that all of the Senators are very much interested in the bankruptcy bill; that it is quite late in the day, and the chances are that many of the Senators would prefer to finish their mail and do other work in their offices, and that it might be better to wait until to-morrow morning before I undertake to explain the provisions of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I think if the bill goes over until to-morrow we ought to meet not later than 11 o'clock a. m. How does the Senator from Delaware feel about that?

Mr. HASTINGS. That is perfectly satisfactory to me.

Mr. FESS. I suggest to the Senator from Arkansas that he make that motion.

RECESS

Mr. ROBINSON of Arkansas. Very well, Mr. President. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Friday, February 24, 1933, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate February 23 (legislative day of February 21), 1933

UNITED STATES CIRCUIT JUDGE

Seth W. Richardson, of North Dakota, to be United States circuit judge, eighth circuit, to succeed Arba S. Van Valkenburgh, retired.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 23, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We approach Thee again, our Father in heaven and our Father on earth. Thy protecting arm has been about us, and we thank Thee. To-day, if trials come, if temptation meets us, let them not stain our souls by gaining mastery over us. Create within us a noble passion to serve Thee and a fine idealism of life. Through the span of this day, that reaches from dawn to dark, may it not be broken by harsh discords. O lead us in that pathway that brings gladness at the first and glory at the last. O God of love and God of mercy, bless abundantly the loves of our hearts and the centers of our homes. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 5408. An act relating to the revolving fund established by the joint resolution of December 21, 1928, for the relief of Puerto Rico; and

S. J. Res. 183. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Puerto Rico, approved December 21, 1928," as amended by the second deficiency act, fiscal year 1929, approved March 4, 1929.

The message also announced that the Senate had agreed to the amendments of the House to a joint resolution of the Senate of the following title:

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army.

HOURLY MEETING

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Speaker, I simply want to make the statement to the House that the condition of business is such that it will be necessary for the House to remain in session each day, in all probability, until 6 o'clock in the afternoon

during the remainder of this session. I want to ask the Members to be in their seats so as to prevent quorum calls, but, if necessary, there will be a quorum call whenever the point is made.

It will be necessary for the House to meet at 11 o'clock each morning during the remainder of this session, and I now ask unanimous consent that during the remaining days of this session, unless otherwise ordered, the hour of meeting be 11 o'clock a. m., instead of 12 o'clock noon.

Mr. SNELL. Mr. Speaker, reserving the right to object, I do not want to do anything to interfere with the regular, logical, normal procedure of the House. I know there is a great deal of business that ought to be transacted, but before I agree to this unanimous-consent request I would like to know from the gentleman from Illinois when he intends to take up the rule on the Smith cotton bill.

Mr. RAINEY. I do not know. The gentleman will have to ask somebody else. I do not know when that will come up.

Mr. SNELL. I am very deeply interested in this, because I am very much opposed to the bill.

Mr. RAINEY. I presume it will not be taken up until we get through with the Navy Department bill.

Mr. SNELL. I expect we will finish the Navy bill to-day or to-morrow, and while eventually, I shall not object to this request, at present, I shall have to object.

Mr. BANKHEAD. Is the gentleman objecting on the theory that he does not understand what might be done with the rule with reference to the so-called cotton bill?

Mr. SNELL. That is one of the reasons.

Mr. BANKHEAD. If the gentleman will pardon me, I think I am in a position to state that there is a possibility that that rule will not be pressed.

Mr. SNELL. If the gentleman will assure me of that, I shall not object at this time.

Mr. BANKHEAD. I do not want to make any hard-and-fast statement to the gentleman, but I want to be entirely candid with the gentleman and the membership of the House. We fully realize there is considerable opposition to the proposition, and there has been a concert of action in this House for a long time between the agricultural forces, the wheat people and the cotton people and the tobacco people and the dairy people, and we are anxious to see if it may be possible to work out a continuation of this concert of action. I think I am justified in saying, after a short conference with the chairman of the Committee on Agriculture, that we would like an opportunity to feel out somewhat the sentiment of the House with reference to the cotton proposition.

Mr. SNELL. I would like to have that done, because I am very much interested in the status of that piece of legislation, and, as I said before, I do not want to do a single thing to in any way cripple the final passage of all the important measures that should be considered at this session, and with this understanding with the gentleman from Alabama [Mr. BANKHEAD], I shall not object.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask a question. Does the gentleman from Illinois know what the disposition of the other body is with regard to the passing of the supply bills? We are now finishing up the last supply bill here in the House. What is the use of our working day and night if another body is going to kill all these appropriation bills? When the Congress dies all of the unpassed appropriation bills die with it and would have to be reintroduced and reconsidered in the next Congress. I do not see any use of the House working day and night if another body is going to kill all these bills.

Mr. RAINEY. I am not advised as to that, except I think we have the right to assume that the other body will discharge its full legislative duty and will take care of these bills.

Mr. LA GUARDIA. When they start on appropriation bills they go pretty fast over there.

Mr. DYER. Will the gentleman yield?

Mr. RAINEY. Certainly.

Mr. DYER. I would like to ask the gentleman what is going to follow the naval appropriation bill.

Mr. RAINEY. There are some rules, as I understand, and some unanimous-consent requests.

Mr. DYER. I notice in the Record that in the general debate yesterday on the Navy Department appropriation bill there was very little discussion about the bill itself, but a lot of extraneous matter printed in the Record, taking up most of the day.

Mr. RAINEY. I may say there will be a deficiency appropriation bill a little later.

Mr. DYER. I think that without tiring the Members by sitting here so long, we ought at this late hour in the session to eliminate a lot of unnecessary discussion.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEASE OF POST-OFFICE GARAGE IN BOSTON, MASS.

Mr. HAINES. Mr. Speaker, I present a conference report on the bill (S. 88) to authorize the Postmaster General to investigate conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, for printing under the rules.

BUSY YEARS AHEAD UNDER THE PHILIPPINE INDEPENDENCE ACT

Mr. OSIAS asked and was given permission to revise and extend his remarks in the Record.

Mr. OSIAS. Mr. Speaker, under leave to extend my remarks in the Record, I insert the following address delivered by me at the inaugural program of the Filipino Club of Washington, D. C., on February 5, 1933:

I indulge in no mere formality when I say that I am twice happy to be with you this evening. I am pleased to greet the new officers of the club and to have a part in your inaugural program. It is a duty and a pleasure to be here and witness the presentation of a Filipino flag to Mr. BUTLER B. HARE, the author of the House bill on Philippine independence which has since become a law. I join the members of the Filipino Club in full measure in paying to a deserving public servant the honor which is his rightful due. I am glad to have been informed that in the near future when Senator HAWES will return from his trip to the Bermudas for a much needed rest, this organization will render homage to Senator Hawes and Senator CUTTING, the authors of the Senate bill on independence.

OUR GRATITUDE

It is meet and proper that we should honor Mr. HARE. I feel very much at home to be here with him after the various parliamentary battles we have fought together in Congress. My countrymen may not know that before he accepted the chairmanship of the Committee on Insular Affairs, Mr. HARE made sure that serious effort would be put forth to have a Philippine independence bill pass the committee and the House of Representatives. Largely due to his disinterested labors, early hearings were held on independence before his committee, and action on the bill was expedited. Were he not present in person, I would be more inclined to speak at greater length of him and his eminent services. I shall not embarrass him by doing something which would run counter to his modesty of character.

I desire, however, to inform my countrymen and our friends here of the sacrifices of Mrs. Hare. It was a great sacrifice on her part to permit Mr. HARE to absent himself from home so that he might pay a visit to our people in the islands; to allow him to come to Washington for conference with the Philippine delegation upon his return to this country only two or three days after reaching his home in South Carolina. Then, too—and I want my people to remember this—during the crucial days when the fate of the bill hung in the balance in the House of Representatives, Mrs. Hare was seriously ill at Saluda, S. C., and yet she consented for her husband to come to Washington to pilot the measure while she was suffering on the bed of pain. These are unrecorded human touches; they are sacrifices without a price.

Let us likewise remember in this hour of triumph Senator CUTTING and Mrs. Cutting. And when I say Mrs. Cutting, I mean the Senator's beloved and inspiring mother, for he, so far as seen fit to enjoy what some refer to as "single blessedness," Senator CUTTING as a coauthor of the Senate bill and his invaluable help as a member of the Senate Committee on Territories and Insular Affairs, are of peculiar significance. Being a Republican, and Senator Hawes, his coauthor, a Democrat, the Senate bill on independence is a nonpartisan bill. We might say it is a bipartisan or a truly American measure, and it is well that it should be so because the promise of independence to the Philippines is not only a Democratic promise or a Republican promise but an American promise. Our people will never fully know the extent of Senator CUTTING's assistance. In order for you to know the type of man he is you should read the veto message of the

President, the letters of four department secretaries, and Senator CUTTING's scholarly reply and notable defense of the bill in the Senate on January 16 and 17, 1933. His entire address was most devastating to the formidable opposition. So clear was he in the presentation of facts that, by the very force of his logic, he left little or no doubt in the minds of his colleagues as to the soundness of his position.

Of Senator Hawes it is difficult for me to hold myself in check. I have worked with him at close range. During the last three years he gave of his time, energy, money, and mentality without stint to what he has come to consider as a human cause. It would do many of the Filipino leaders good to do the reading he has done on the question and possess in their own private libraries the references dealing with the Philippines like those which he has gathered. He traveled and then wrote a most illuminating and informative book on Philippine Uncertainty and otherwise prepared himself for the great battle necessary to pilot the bill to a harbor of safety.

He created interest among his associates. He inspired enthusiasm among the members of his secretarial staff. His secretary, Mr. Bon Geaslin, accompanied him to the Philippines, even as Mr. William Bowers went with Mr. HARE to the islands. Mrs. Hawes and her daughters in various ways rendered valuable help. Senator Hawes worked systematically and effectively. No better tribute has been paid any man in Congress than that paid Senator Hawes two days ago for his character and public career. It was an inspiration to be on the floor of the Senate when, on the 3d of February, the Senator resigned to give way to his successor, Senator BENNETT CLARK. Senator after Senator from both sides of the aisle rose to do him honor.

I would like you to hear the words of Senator McNARY, the acting floor leader of the Republican Party:

"Mr. President, I can not let this occasion pass without expressing my very high regard and sincere affection for Senator Hawes, who has just relinquished his seat in the Senate. I have served with him on committees of the Senate and on the floor, and all his public service has been characterized by consideration for his colleagues and studious reflection upon the problems before the country and the Senate. It is with deep regret that I witness his voluntary retirement from the Senate, and when I say that his departure is a loss to this body I am sure that feeling is shared by every Republican Member of the Senate."

Listen to the touching tribute of Senator COPELAND, who, more than any other, combated the Hawes-Cutting bill in the Senate:

"I wish to say to the people of the Philippine Islands that regardless of my attitude toward the Philippine bill I want every friend I have in those islands, as well as here, to know that I regard Mr. Hawes as a true friend of the Filipinos, and if I can say a single word to give assurance to those people of the loftiness of his character, I desire to do it."

Senator BINGHAM, chairman of the Senate Committee on Territories and Insular Affairs, made these meaningful remarks:

"When the day comes that the people of the Philippine Islands achieve their fond hope and expectation of independence, it should be recognized by them that to no other person do they owe their independence in greater—or even equal—measure than to Senator Hawes, of Missouri. A gentleman, a scholar, a statesman, a faithful Member of this body, he leaves it with the regret of all his colleagues."

From this morning's editorial of the Washington Post, a paper which has persistently opposed the Philippine independence bill, I quote the following: "Senator Hawes has served with great distinction, and the encomiums of his colleagues have been well earned."

That the Philippine bill was favorably acted upon by the Senate is a tribute to the personality of Senator Hawes. His voluntarily relinquishing his post before the expiration of his term to help his successor and friend is one more evidence of the nobility of his soul.

While we pay our tribute of gratitude to these authors of the Philippine independence act, let us not forget Speaker GARNER, whose daring determination was in a great measure responsible for the successful passage of the act. With him are the members of the House Committee on Insular Affairs and the 306 Representatives who voted for the independence bill on April 4, 1932. They, together with ever so many unknown soldiers, as it were, are all deserving of our undying gratitude.

I would be recreant to my duty if I did not inform my countrymen of their indebtedness to Senator BINGHAM, chairman of the Senate Committee on Territories and Insular Affairs. I admire him because he was ever frank in his dealings with the official representatives of the Philippines. Throughout our negotiations he was cordial and gentlemanly. Without the aid of Senator BINGHAM and Republicans like him, and the able assistance of men on the Democratic side like Senators ROBINSON, PITTMAN, TYDINGS, and others, it would not have been possible to push through the Philippine independence bill in the face of the formidable opposition of President Hoover and four department secretaries.

To the Seventy-second Congress and its Members, Democrats and Republicans alike, belongs the distinction of enacting an independence measure that is unique and unparalleled. The Philippine independence act which we now have ought to be a new pact of friendship between the United States and the Philippine Islands.

NO PERSONALITIES—NO LONG-DISTANCE DEBATING

I have been a little saddened by criticisms which of late have become somewhat rampant.

During my entire incumbency as Resident Commissioner I have, as a matter of policy and for the sake of unity in our fight for an independence law, maintained silence in the face of criticisms from my countrymen in the United States. I have been attacked, maligned, and traduced. I kept quiet. I bared my breast to every shaft of criticism in the interest of our common objective. I am satisfied that the great cause demanded of us forbearance. It demanded a united front. Now we have an independence law at last. It is desirable that our union be maintained as we undertake the equally exacting task of reconstruction.

I do not object to criticisms as such. In fact, I welcome them. They are necessary in a democracy. But some of the criticisms are premature and baseless. Others have been exceedingly vitriolic, indulging in personalities. Let us fight, if we must, on issues, ideas, and principles.

I was a little sorry to see in the Bulletin of the Filipino Club veiled personal criticisms against Mr. Quezon. Let us not forget that he is still the Filipino leader in the constitutional scheme of things. You who are in Washington know of his labors and his patriotic services. He does not need me to defend him. The record of his career is his own defense. He is coming to the United States in the near future and I ask my countrymen and our American friends not to judge him harshly or prematurely.

In the Sunday Star of this morning (February 5, 1933) there is an article devoted to a discussion of the record of the present session of Congress. It comes from the pen of Mr. William Hard, an internationally known political analyst. In that article the following paragraph appears and I desire to read it:

"Its total record of major accomplishment to date is the appropriation bill already mentioned and the Philippine independence bill. The latter bill turns out to be highly displeasing to the most powerful politician in the Philippine Islands—Manuel Quezon. Mr. Quezon is jocularly accused of simply wanting complete independence (with all offices manned by 100 per cent Filipinos), plus complete free trade with the United States, plus a certain amount of protective hovering about by the United States Navy. In any case, Mr. Quezon is thought here to be strong enough in Manila to render the work of this session of this Congress on the subject of the Philippines futile."

I submit that Mr. Hard does not accurately portray the views of Mr. Quezon. In his well-known report to the Philippine Legislature on his last trip to the United States Mr. Quezon said:

"In conferences with some Senators, among them Senators KING and Hawes, some Representatives, and high officials of the administration, I expressed my opinion that the Philippine problem could be solved satisfactorily through any one of these three procedures:

"First. Immediate establishment of an independent government, with free trade between America and the Philippines for a period of 10 years, limiting the amount of sugar entering the United States free of duty to 1,000,000 tons, and of oil to the amount that is exported at present, and restriction of labor immigration into the United States.

"Second. Immediate establishment of an autonomous government with all the consequent powers, including that of enacting measures considered necessary to meet the responsibilities of an independent government, when independence is granted with the restrictions necessary to safeguard the rights of sovereignty of the United States in the Philippines. For a period of 10 years the trade relations between the United States and the Philippines and the labor immigration into the United States would be governed as stated in the first plan. At the end of 10 years absolute independence of the Philippines will be granted, or the Filipino people will decide through a plebiscite whether they desire to continue with this kind of government or prefer to have one that is absolutely independent. In the latter event independence shall be granted forthwith.

"Third. If neither of these plans protecting Philippine economic interests shall be acceptable to Congress, I said that the Filipino people would, as a matter of course, accept any law granting independence even under the most burdensome conditions."

In such a report he specifically stated that the plan of immediate independence followed by 10 years of free trade was impossible. These were Mr. Quezon's exact words:

"The first plan found no acceptance in any quarter.

"Even Senator KING (the American Senator who has been fighting for Philippine independence with the greatest zeal and disinterestedness) told me that the American people would never consent to the continuance of free trade between America and the Philippines in any form after independence has been granted us. This view is shared by all."

I transmitted Mr. Quezon's views to Senator Hawes opportunely when there was considerable confusion produced by dispatches from the Philippines and my letter was inserted in the CONGRESSIONAL RECORD for December 16, 1931. Senator Hawes subsequently included the entire report of Mr. Quezon in the CONGRESSIONAL RECORD for December 22, 1931, as part of his extension of remarks.

It might be stated in passing that General Aguinaldo advocated the scheme which, according to Mr. Quezon, "found no acceptance in any quarter." In a letter to Senator Hawes dated July 25, 1931, General Aguinaldo said:

"I am convinced that the contemplated readjustment of free trade relations should come after the concession of independence. Disposed as we are to face the consequences imposed by new obligations that will arise, our country will intensify its activities in all lines of endeavor with those new obligations in

mind. Necessity is the mother of progress, and on the necessities incident upon an independent government, the Filipino people will construct the edifice of their prosperity and national greatness. On the understanding, therefore, that the adjustment regarding free trade should not precede the concession of independence, notwithstanding opinions to the contrary, I would suggest a period of not more than 10 years within which we hope to be able to adjust the economic difficulties attendant upon separation in a way satisfactory to both peoples. Let independence come at the earliest hour, however, at the latest within the next five years, inasmuch as the continuation of the present guardianship will kill our spirit of initiative as well as the characteristic elements of our nationality." (Hawes, *Philippine Uncertainty*, pp. 320-321.)

Senator PITTMAN, who is going to be even more influential in the next Congress than he is in the present Congress, made very pointed comments on the scheme sponsored by Aguinaldo recently. In his able address in the Senate on January 17, 1933, he said:

"I know that every member of our committee was unselfish. Differing, as they may partially have done, with regard to the time for ultimate independence, they were unselfish in that they were looking after the interests of the Filipino people. But I hear to-day voices, coming almost silently, so low that one may hardly hear them, moving across the Pacific from another little group in the Philippine Islands, a little group of politicians, a little group who do not represent the Filipino people. They are whispering that if this legislation shall not be accepted by the Filipino people, then those who are doing the whispering will be able to obtain far better conditions for the Filipino people; that they will probably be able to obtain what Aguinaldo wanted—that is, almost immediate independence, with free trade for 10 years thereafter. That was his proposition. That, however, would not be considered fair by the people of the United States; it would not be considered fair by me, and I would vote against it." (CONGRESSIONAL RECORD, January 17, 1933, p. 1922.)

There is bound to be misunderstanding if we engage in what I call long-distance debating. I prefer debating at close range. Long-distance debating reminds me of the story I heard when I was a child during the Spanish régime. It is said that considerable trouble was caused the Spanish Government by troublesome pulahaues in the Island of Samar. The fights that occurred from time to time were reported by the Spanish officials in the Philippines to the officials in Madrid. One time the Spanish governor general reported to the government in Spain that the provincial government building in Samar was destroyed by anays. Immediately upon reading the report the Spanish Minister of the Colonies issued the following peremptory order to the Spanish governor general in Manila: "Arrest and punish all the anays." Of course, the moral is obvious to the Filipinos who know what the word means; but for the benefit of our American friends let me say that anays are white ants.

It is difficult to come to an understanding if we engage in long-distance debating. My injunction to Filipinos in the United States is this: Do not attack or condemn too readily. Do not be unduly critical of the Filipino leaders in the islands who may not hold exactly the same views as you do regarding the new act. If I were speaking in the Philippines, I would likewise say to our countrymen there: Do not attack or condemn too readily. Do not be unduly critical of the Filipinos in the United States who may not hold exactly the same views as you do regarding the Philippine independence act. I hope that in the future I will have the opportunity to meet our countrymen in the Philippines face to face and counsel calmly with them. But to Filipinos, one and all, wherever they may be, let us never forget that we are one in blood, one in history, and that we have a common country and a common destiny.

Let us deal with one another as befit men of the same aspirations, the same interests, so that it might not be said of us in the future what our immortal Rizal once said: "It is a pity that in our slavery we should have rivalries over leadership." It would be indeed a misfortune—nay, a calamity—if we should play politics at the expense of our national liberty.

RECOMMENDATIONS TO MY COUNTRYMEN

After making clear my disinclination to long-distance debating, let me make a few recommendations to my countrymen:

1. Let us investigate the facts and have the same set of facts upon which to base conclusions regarding the Philippine independence act.
2. Let us reason together in a fraternal spirit.
3. Let us subordinate self and self-interest for the sake of a common good.
4. Let us pull and push together on the things, the important things, upon which we can agree.
5. Let us be grateful to America and merit, by what we do and say, the faith and friendship of the American people.
6. Let us not jeopardize the good that we have achieved for something elusive, something attractive, but which we can not get.
7. Let us boost more and knock less. Let us live to build, not to destroy.

You have heard the wise old saying, "A bird in the hand is worth . . ."

(Shouted some in the audience, "Two in the bush.")

I would say, "Two hundred in the bush."

PHILIPPINE DELEGATION REPRESENTATIVE

As you know, we have had in Washington and we have now a Philippine mission. The members, with the two Resident Com-

missioners, Mr. GUEVARA and myself, have worked together as your official representatives in the United States. For the time being, and until we disappear from the scene, we are the constitutional representatives of our people in Washington in our negotiations with the Government and people of America. We are in this country at the behest of the Filipino people. We are here charged with the duty to "petition the Government and Congress of the United States for the early granting of the independence of the Philippines." We have worked to the best of our ability. We did our duty. Now, we no longer have to speak only of an independence bill. We have a Philippine independence act. I do not want to enter into a defense of the Philippine mission or the commissioners. I say the act is our best defense.

Your constitutional representatives in the United States deserve the support from Filipinos such as they would give their armies in war. We have been in a war—peaceful war, it is true, but war nevertheless.

May I remind you that your Philippine delegation is truly representative? It is representative politically. In its membership the two parties, the majority and the minority, are represented. The concurrent resolution of the legislature provides that the members consist of the presiding officers of both houses of the legislature and the majority and minority floor leaders. They, jointly with the commissioners in Washington, compose the delegation.

The Philippine delegation is representative geographically. The north and the south, the different regions of the islands, are represented. Messrs. Osmeña, Roxas, and Montinola come from the south, or the Visayan region. The others come from the north. Messrs. Tirona and GUEVARA come from the Tagalo region. Mr. Sabido from the Bicol region, Mr. Aquino and myself from central and northern Luzon.

The Philippine delegation, furthermore, is representative of our country, viewed from its major economic interests. While all of us, of course, labored with a view to protecting the best economic interests of our people as a whole, let me say for your information that Messrs. Roxas, Montinola, and Osmeña come from the sugar-producing Provinces in the Visayas and Mr. Aquino from the sugar-producing section of Luzon. The hemp section has its representation in Messrs. Sabido and Tirona. The coconut Provinces have their defender in Mr. GUEVARA, and the rice, corn, and tobacco regions have their representation in Messrs. Osmeña, Aquino, and myself.

Politically, geographically, and economically, the Philippine delegation is truly representative. I can not too strongly emphasize that the major purpose which animated all of us was the independence of the Philippines.

LITERATURE ON THE PHILIPPINE LEGISLATION

My friends, I do not pose before you as one knowing absolutely everything connected with Philippine legislation. The literature on this question that has accumulated in the last few years is almost unbelievable. He would be rash who says he has read all the printed matter—let alone the unpublished material—dealing with Philippine independence these last four years.

Do you realize that this particular piece of legislation in its various drafts and the amendments thereto, if compiled, would comprise over 900 printed pages?

Take the record of hearings. The three printed volumes of the Senate hearings for 1930, the House hearings for 1932, and the Senate hearings for 1932 contain a total of 1,783 pages. Not one of you who are listening to me has read all of the testimony. I have not only read every page but studied it—as it was my duty to do so.

I have a compilation of the speeches and extensions of remarks on the Philippines in the CONGRESSIONAL RECORD for the Seventy-first and Seventy-second Congresses and they take up four large-sized volumes.

I shall not enumerate the different articles, leaflets, reports, pamphlets, and books from the pens of various writers on the subject as they are legion. My secretaries have collected and have had bound some of my own writings and speeches on the subject during my incumbency in office with the result (a) that the duplicate copies of typewritten articles and statements total some 1,400 pages; (b) that the bound volumes of typewritten and unpublished speeches contain 1,225 pages; and (c) that the three volumes of speeches reprinted in small type include approximately 800 pages. Some 200,000 copies of these reprints made at personal expense have been distributed up to this good hour from my office. From these you may get an idea of the tremendous amount of literature on the Philippine question these last three or four years. I call such points to your attention to bring home to you the need of studying the facts bearing upon the enactment on independence which, on January 17, last, passed the Congress of the United States in the face of great opposition from various sources, including four executive departments of the United States Government and the White House.

INDEPENDENCE ON A DAY CERTAIN

If you study the new law, there should be no disagreement that the Philippine independence act grants increased autonomy to the Philippine Islands and that on the 4th day of July immediately following the transition period of 10 years or the life of the Philippine Commonwealth, independence shall be ours. That is my understanding of the following section of the act:

"Sec. 10. On the 4th day of July, immediately following the expiration of a period of 10 years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall by proclama-

tion withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the Territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines (except such land or property reserved under section 5 as may be redesignated by the President of the United States not later than two years after the date of such proclamation), and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force, etc."

My interpretation of the act is that independence comes on a day absolutely certain. That is the interpretation of Mr. HARE, the author of the House bill. That is the interpretation of Senators Hawes and Curing, the authors of the Senate bill. That is the interpretation of our friends who supported the measure.

And that is not all. It is the interpretation of the most important opponents of the independence bill. One example will suffice. President Hoover, in his veto message, says:

"Complete independence is automatically established in the eleventh year after the inauguration of the intermediate government."

Please note that the President of this country, with all his constitutional advisers, states that complete independence automatically comes on a day certain, the date fixed in the law. Admitting all that need be admitted regarding the imperfections of the present act, I say if it did not contain but this single feature, the provision of making the grant of independence definite, specific, on a day certain, the independence act merits acceptance on our part.

PRECEDENTS OF WHAT WE HAVE ACCEPTED

When the original Philippine organic act was enacted doing away with the military rule in the islands we welcomed it.

When Congress passed a law granting us the Philippine Assembly we were happy. We did not reject it.

Our reformers and patriots in Spain, Rizal, del Pilar, Ponce, Lopez-Jaena, the Luna brothers, and others who labored for Filipino representation in the Spanish Cortes, are justly praised for it. When we were given the right to have Resident Commissioners in the United States the Filipinos took advantage of it.

When we were given the administrative concession of a Filipino majority in the civil commission we accepted it.

When the Jones law was enacted giving us the Philippine Legislature, with the senate and the house of representatives, we did not reject the law. We accepted it and thanked America for it. We received those who were responsible for its passage when they returned to the Philippines as conquering heroes.

And now that we have a Philippine independence act, as the fruition of years of struggle and sacrifice, an act giving us greater concessions than any we have had, an act which, on a day relatively early and positively certain, grants our independence, should there be any doubt as to the right course for us as a people to take?

In the light of precedents, in the face of the reality of facts, we can not ignore the moral of the old familiar legend: Grab all, lose all!

BE VIGILANT!

All who are familiar with Rizal and his writings remember his characterization of the youth as the splendid hope of the fatherland. I have always associated myself with that thought. To my people, to the Filipino youth, let me directly address a few words of solemn warning:

The rejection of the Philippine independence act may lead to indefinite retention. In our acceptance of it, in my judgment, lies our national redemption.

I call upon my people, I call upon the Filipino youth to be alert. Do not permit this law to become the football of local politics. In the crucial and momentous months and years immediately ahead, there should be unity of thought, action, and spirit.

No man should arrogate to himself the right to make politics out of the liberty and the independence of our country.

BUSY YEARS AHEAD—NATIONAL PROGRAM

One of the objections raised in certain quarters is that the 10-year period of transition is too long. But the objection voiced in other quarters is exactly the opposite. "The period for such adjustment in this act," President Hoover in his veto message said, "is too short, too violent." There you have two distinct views, and in the enactment of a major piece of legislation there are, necessarily, divergent views and conflicting ideas. Myriads of interests, elements, and factors have had to be considered in the passage of this act.

On December 22, 1931, I defined the Filipino people's independence stand in these terms:

"Mr. Speaker, in two minutes it is clearly impossible adequately to discuss other phases of this all-important problem, independence, but the extension of time enables me to present succinctly our independence stand. In words as plain and in language as clear as I can make it, this is the stand of my people to-day: If given the choice between a continuation of the present form of government on the one hand and immediate, absolute, and complete independence, with all the attendant consequences, on the other, the Filipino people are a unit in favor of immediate, absolute, and complete independence. To make this point more em-

phatic: If the choice is between relative prosperity without freedom on the one hand and independence with relative poverty on the other, my people would unhesitatingly choose the latter. Naturally, if they could secure immediate independence with reasonable economic adjustment they would welcome it. But let there be no mistake. The supreme concern of the Filipinos is the early grant of national independence."

Our combined forces have been in this direction. What did we get? We did not get all that we wanted, of course, but the opponents of independence have fared worse. We did get this 10-year period. Having gone through what I did and knowing what I do know, I, without hesitation, urge that we accept this act. When our people will have accepted it, when the Philippine Legislature will have favorably acted upon it, those who have been friendly to us in the United States will be pleased. Then it will not be amiss to resume negotiations for an improvement of American-Filipino relations on the basis of mutual confidence, understanding, and friendship.

With this Philippine independence act now an accomplished fact, let us see what problems are before us before the expiration of the 10-year period of transition.

1. We need to formulate and draft a constitution and submit it for approval by the President of the United States and the Filipino people. That will take from one and one-half to two and one-half years; let us say two years as a compromise.

2. After that, we shall have to hold an election to select new officials in accordance with the constitution. That will take some time.

3. The setting up of the new government of the Philippine Commonwealth will consume some time.

4. The political reorganization and readjustment to be effected will take some time.

5. Then there is the intricate problem of financial adjustment including the restudy of our taxation and currency, the redistribution and the reallocation of funds, and a redefinition of the financial relations among the central, provincial, and municipal governments. That certainly will take some time.

6. There is also the question of economic adjustment and economic preparation that must be attended to. In our domestic life, we need to revitalize agriculture, give new direction to our commercial and industrial development, develop fishing and our fisheries, determine the relation between labor and capital. These and related problems will take time.

7. The problem of conservation of our natural resources takes time.

8. There is the trade adjustment between the Philippines and the United States. Section 13 of the act provides:

"Sec. 13. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That at least one year prior to the date fixed in this act for the independence of the Philippine Islands, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the Chief Executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent."

We should be getting busy preparing for the trade conference between the representatives of the Government of the United States and the government of the Philippine Commonwealth not long after the latter government is inaugurated.

9. There is the future economic adjustment that must be made in our relations with foreign countries. That surely takes some little time.

10. The problems of the judiciary and our defense need some time for study and adjustment.

11. In the matter of legislation we could well afford to devote about two years only to one problem, the elimination of obsolete laws from our statute books. The codification of our laws is a labor of years. Enacting new laws is an annual, not to say a perennial task.

12. Take the question of foreign relations; that needs serious thinking and careful study. We should be training personnel preparatory to our independent existence. That takes time.

13. The question of a unified control and systematic development of transportation and communication surely merits serious attention and necessitates some time.

14. The problem of hospitals, sanitation, and public welfare will demand some time.

15. Then there is the great and constructive task of our educational and social reorientation. If you assign me to this work, I could easily draft a program that would take more than 10 years. I may be pardoned for tarrying a while on this phase of our national program because it is my special line. We should be projecting a well-defined program for our cultural, social, and spiritual reawakening for a period of 45 years, that is to say one generation beyond the period of transition.

16. Not only these but we have the very important work of preparing for a permanent constitution which will have to be attended to before the 10-year period of transition expires.

If this broad and incomplete national program is not enough and you wish me to project still further into the future, let me say that we shall be confronted with two great problems: (1) The organization of our national life on a peace basis, and (2) the reshaping of our individual, national, and international life to insure the perpetuity of our independent republic.

We have here a most challenging program and it is by no means complete. It is a program as great if not greater, as complex if not more complex, than was ever faced by any nation on earth. Surely it is one of the greatest responsibilities ever entrusted to the stewardship of any people in the history of the world.

My compatriots, we have truly busy years ahead of us under the Philippine independence act. They are years of weighty responsibility and wonderful opportunity. We must not dawdle, we must not procrastinate, we must not falter in the face of this imperative and unexampled challenge.

CLARENCE R. KILLION

Mr. HILL of Alabama. Mr. Speaker, by direction of the chairman of the Committee on Military Affairs, I call up the conference report on the bill (S. 2148) for the relief of Clarence R. Killion.

The Clerk read the conference report.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "back pay, compensation, benefit or allowance shall be held to have accrued prior to the passage of this act"; and the House agree to the same.

LISTER HILL,
NUMA F. MONTET,
B. M. CHIPERFIELD,

Managers on the part of the House.

DAVID A. REED,
DUNCAN U. FLETCHER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) for the relief of Clarence R. Killion, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: The House accepts the words "honorably discharged" in lieu of the words "discharged under honorable conditions," because the words "honorably discharged" have a well-defined and accepted meaning and are of common usage, denoting clearly a certain type of discharge, whereas the words "discharged under honorable conditions" are not generally used and have no well-defined meaning.

On No. 2: The House accepts the words "back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act" as fully covering the intent and purpose of the House in its amendment of similar import to the bill, but with less verbiage than embodied in the House amendment.

LISTER HILL,
NUMA F. MONTET,
BURNETT M. CHIPERFIELD,
Managers on the part of the House.

The conference report was agreed to.

NAVAL APPROPRIATION BILL

Mr. AYRES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state

of the Union for the further consideration of the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. DOXEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the agreement made last night, the gentleman from Kansas is recognized for 30 minutes and the gentleman from Idaho for 30 minutes.

Mr. FRENCH. Mr. Chairman, as I understand, last night we read the first item in the bill, with the understanding that a very limited number of Members who have been promised time should have that time to-day. If that is agreeable, I shall be glad to yield to two or three gentlemen this morning, and I think the gentleman from Kansas also wishes to yield to two or three Members.

Mr. AYRES. The gentleman is correct. We made that agreement last evening.

Mr. FRENCH. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. STAFFORD] 10 minutes.

Mr. STAFFORD. Mr. Chairman, I invite the serious attention of Members of this body who will be in the next Congress to a procedural change in the way of committee legislation. At a recent meeting of the Committee on Military Affairs, as a parting word, I suggested to that committee that the work of that committee could be improved by having a representation on the subcommittee on the War Department appropriation bill during the consideration of that bill in the making.

As some of you know, I have served on many committees during my 20 years of service over a period of 30 years. My first service was on the Post Office and Post Roads Committee, when that committee had the appropriation power. It was my good fortune to serve on the subcommittee that had the preparation of the Post Office appropriation bill during the first four terms that I was in the House.

Later I served on the Interstate and Foreign Commerce Committee, which did not have appropriation powers.

Afterwards I served on the Appropriations Committee, both before and after the appropriating powers were taken away from these legislative committees, and I served on the War Department subcommittee after all the appropriation powers had been merged in the Appropriations Committee.

The merging of all power of appropriation and the deprivation of authority that had formerly been vested in legislative committees—namely, the Military Affairs Committee, that framed the military appropriation bill and the Military Academy bill; the Naval Affairs Committee, in the preparation of the naval appropriation bill; the Agricultural Committee, in the preparation of the agricultural appropriation bill; the Committee on Indian Affairs, in the preparation of the Indian appropriation bill; the Committee on the Post Office and Post Roads, in the preparation of the Post Office appropriation; the Committee on Foreign Affairs, in the preparation of the diplomatic appropriation bill—were all taken away in 1921, when Congress passed what is known as the Budget system.

It was then the desire to concentrate all the appropriation bills in one committee, and so the Appropriations Committee was enlarged from 22 to 35. At the time of its enlargement, members from the various legislative committees from which appropriation authority was withdrawn were drafted from those committees to the Committee on Appropriations. For instance, from the Committee on Military Affairs Mr. Dan Anthony, the ranking Republican member, was drafted for service on the Committee on Appropriations to help in the preparation specifically of the War Department appropriation bill. That same rule applied to members of other legislative committees.

I have been a student, naturally, of the budgetary system and its evolution, and, as many Members know, I have followed the appropriation bills from the beginning of my service 30 years ago rather scrutinizingly under the tutelage

of that master legislator, James R. Mann, and there was no superior legislator, I believe, not only during my service but in the history of the Government, than James R. Mann.

The end of all committee work is the improvement of legislation. These legislative committees, like the Committee on Military Affairs, the Committee on Naval Affairs, and others, have suffered by reason of the appropriating powers having been taken away from them. Officers of the Army, for instance, come before the subcommittee of the Committee on Appropriations having in charge the Army appropriation bill and give testimony over a period of, say, six weeks as to the needs of the military service.

I might digress here to say that I was asked by the chairman of the Committee on Military Affairs, before my term ended, to express these views, as I have expressed them in the committee, and I wish to give the benefit of my views to the Members of Congress who are going to serve here, particularly the Democratic members, who are to have the direction and control of affairs in the next Congress. My one aim is the improvement of legislation, and that is the end of all committee work.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. O'CONNOR. I believe the gentleman is making a really workable contribution to the conduct of the proceedings of this House, because we had the question before us this morning specifically. I believe the gentleman from Wisconsin is entitled to the attention of every Member here.

Mr. STAFFORD. I thank the gentleman. I had some hesitancy in taking the floor, because I did not want to be considered presumptuous as a retiring Member, but I felt it my duty to give the Membership of the House the benefit of my study and observation on this important question. When all of these powers were surrendered to the Committee on Appropriations, there was violent opposition upon the part of the members of the legislative committees, such as the Committee on Naval Affairs and others, to surrendering their appropriating powers.

What is my proposal? I would not take away the control of the determination of the Budget from the members of the Committee on Appropriations, but I would by rule authorize the chairmen of these various legislative committees, the Committee on the Post Office and Post Roads, the Committee on Naval Affairs, the Military Affairs Committee, the Agricultural Committee, to delegate the appointment of three or four members of their committee to sit with the subcommittees of the Committee on Appropriations during the preparation of these respective bills, and to partake in the framing of those bills. That would not only be of value to the members of the Committee on Appropriations, but it would also be of great benefit to the work of framing legislation.

For instance, in the consideration of these appropriation bills, from my experience, matters of legislative proposals arise. There is no liaison arrangement between the Committee on Appropriations and the various legislative committees to which I have referred. I have now served for four years, two terms, on the Committee on Military Affairs. Our attention is not called to the suggestions of the War Department which they make from time to time. Only yesterday the Committee on Military Affairs gave its attention for a whole morning to an amendment that has been incorporated in this naval appropriation bill, and if this subcommittee of the Committee on Appropriations in the preparation of the naval appropriation bill had the information we have, they would not, I dare say, and I say it with all respect, have incorporated that amendment in the bill.

I am one of those who believe that on appropriation bills there are times when legislation should be incorporated. In the old days when I was serving on the Committee on the Post Office and Post Roads there were times when our committee would bring in 10 or 20 matters of legislation relating to the department, which were exigent and which should be considered. We would go before the Committee

on Rules, and they would give us a rule making those things in order. Of course, we should not burden appropriation bills with too much legislation.

After much reflection I think no better reform could be established in this House than that which I have suggested. It would give added functioning to the Committee on the Post Office and Post Roads, on Military Affairs, on Naval Affairs, and on agriculture if you would adopt the suggestion of allowing those respective committees to have some representation on these four subcommittees so that they could take from the hearings on these appropriation bills suggestions for legislation to their full committee, and also could sit in in the framing of what is necessary in the appropriation bill.

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. TAYLOR of Colorado. Is it not a fact that the Senate does that very thing?

Mr. STAFFORD. Yes. Without wishing to cast any reflection upon that greatest of all committees of this House, the Committee on Ways and Means, when the beer bill was under consideration—and my friend from New York [Mr. O'CONNOR] will confirm me in what I say, because he and I were following closely the beer bill during its consideration—that great committee was at a loss as to the legislative features contained in the bill, because that measure had previously been considered always by the Committee on the Judiciary. They did not know what was the purpose of the declaration that beer containing less than 23 $\frac{1}{4}$ per cent of alcoholic content should not be considered intoxicating. They did not have adequate legislative knowledge of the purpose of that declaratory interpretation.

Following the suggestion of the gentleman from Colorado [Mr. TAYLOR] as to the procedure in the Senate, take, for instance, the beer bill. As far as the revenue features were concerned, they were referred to the Committee on Finance to pass on those matters; and as far as the legislative feature was concerned, that was referred to the Committee on the Judiciary, and properly so. Further, in the War Department appropriation bill, the chairman of the Committee on Military Affairs of the Senate is the man who has charge of the appropriation bill in the Committee on Appropriations and through its course in the Senate.

Now, it was at the suggestion of my dearest of all good friends, the gentleman from South Carolina [Mr. McSWAIN], that I have taken the floor, because the gentleman wished me, before I retired to private life, to call attention to this reform, which I believe will not only be for the improving of the framing of appropriation bills, but more for the improvement and functioning of the legislative committees, that formerly had those powers. It will raise them again to some of their former pristine worth that they were deprived of when the appropriation bills were transferred to the Committee on Appropriations. Those committees are now largely passing on private bills. Let us give them some new life. New life, I believe, can be instilled into them by adopting this suggestion. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. STAFFORD] has expired.

Mr. AYRES. Mr. Chairman, I yield three minutes to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Chairman, I merely rise to express my personal regret that the distinguished gentleman from Wisconsin [Mr. STAFFORD], who has had a long and varied experience in business, in practical affairs as well as legislative service, will not be a member of our committee in the next Congress, and that thus I, as chairman of the Committee on Military Affairs, will be deprived of his sustaining support in the conduct of the business of that committee. There is no politics in questions of national defense.

I want to testify to you gentlemen who may have had your clashes with "BILL STAFFORD" on the Consent Calendar, that as far as my observation of him is concerned, close and intimate as member of the same committee for four years, differing acutely as we have at times, and espe-

cially with regard to Muscle Shoals, he is a fair man. I do not believe he ever takes a position in opposition based on mere caprice or whim or prejudice.

If his primary impression is unfavorable to the position that you take, if you have got the facts, and if you have got the argument and will lay them before him, he will try them as impartially as a judge on the bench. If you are entitled to favorable judgment, he will usually render it to you and will reverse his primary position of opposition. Therefore, I lend greatest respect to the suggestion he offers here today. It is true that when he mentioned this suggestion in the committee I requested him to bring it to the attention of the House. He could have no selfish motives in the suggestion. I believe he is prompted here, as I believe he is always prompted, by the highest and most unselfish, patriotic considerations; and I am persuaded to believe that if this suggestion will be put into practice, it will lead to the betterment of our legislative service and thereby lead to the strengthening and development of our Federal services, especially with reference to the national defense of our country. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. McSWAIN] has expired.

Mr. FRENCH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. AYRES. Mr. Chairman, I also yield to the gentleman from New York 15 minutes.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized for 30 minutes.

Mr. TABER. Mr. Chairman, I am going, for a moment, to discuss the suggestion of the gentleman from Wisconsin [Mr. STAFFORD], proposed with reference to the legislative committees and the appropriation subcommittees. I am going to discuss it, because I believe that is one of the important matters that may be considered sometime.

In consideration of the Navy bill it requires the undivided attention of those who serve on it in the House for from 6 to 8 weeks. In the consideration of the Army bill it requires the undivided attention of those who serve on that committee from 8 to 10 weeks, and sometimes 11 weeks.

I want to suggest to those who have thought of this suggestion that the hearings in the Senate on such matters consume from 1 to 2 days, and sometimes 3, but 3 days would be the peak. Is it going to be possible for members of the legislative committees to sit as members of the appropriation subcommittees for 6 or 8 or 10 or 11 weeks, and give their undivided attention to those matters, and at the same time properly perform the functions they are supposed to perform on the legislative committees?

Mr. STAFFORD. Will the gentleman yield in that particular?

Mr. TABER. Yes, I yield.

Mr. STAFFORD. I can say without any fear of contradiction that as far as the Committee on Military Affairs is concerned, some of the members of that committee could serve continuously for six or eight weeks, devoting their attention to affairs arising before the War Department Subcommittee on Appropriations.

Mr. TABER. Frankly, I know of certain matters that are brought up in this bill that require a considerable amount of attention, which has not been devoted to them by the Military and Naval Affairs Committees, which perhaps they did not feel should be devoted to them, but which, in my opinion, as a result of the things which have arisen in this bill and in the Army appropriation bill, should be taken up. It is going to be necessary, in the next session of Congress, for the Military Affairs Committee and the Naval Affairs Committee to give very marked consideration to matters which will, if they are properly considered, in my opinion, result in the saving of several million dollars to the Treasury, and I believe those things should be taken up. I hope they will be taken up in the next session. I believe it will be impossible for the ranking members on the legislative committees to give the proper consideration to the appropriation bill and at the same time properly discharge the functions of a mem-

ber of the legislative committee. I believe they are very large and important duties and that they require that attention.

Mr. McSWAIN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. McSWAIN. Assuming the gentleman is referring to the matter which the distinguished gentleman from New York mentioned a while ago, I want the Record to show that the Committee on Military Affairs yesterday unanimously agreed that at the first meeting of the committee in the next session of Congress, whether extra or special, that matter would be begun and have our absolutely impartial and fair consideration.

Let me ask the gentleman one question. The gentleman recognizes, of course, that every Member of Congress has the same responsibility with regard to national defense or agriculture or anything else that a member of the Committee on Appropriations has, no doubt?

Mr. TABER. Oh, absolutely.

Mr. McSWAIN. Now, is it fair to the other Members of Congress who have the same equal responsibility to deprive them even of the hearings that have been taken at public expense, and printed at public expense, until the committee has reported the bill, the day before consideration is to be had upon that bill? Ought not those hearings, as soon as they come off the press, be made available to the Membership of the House generally, even if it be a week or two weeks or thirty days prior to the reporting of the bill itself?

Mr. TABER. I am inclined to believe that the practice of having closed hearings and not making the hearings available until the bill is ready to report has undoubtedly resulted in considerable economy.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. If the gentleman does not agree as to the practicability of the view expressed by the gentleman from Wisconsin, does not the gentleman believe the view expressed yesterday before the Rules Committee and the protest made that there ought to be some liaison between the Committee on Appropriations and the legislative committees throughout the course of the hearings?

Mr. TABER. I may say to the gentleman that the naval subcommittee of the Committee on Appropriations has for years been accustomed to afford hearings to members of the legislative committee, giving them an opportunity to present their views on any matter they were interested in.

Mr. O'CONNOR. Right there, of course, that does not answer it, because unless they are advised of certain things they will not know they are coming up unless they devote their whole attention to the hearings before the Committee on Appropriations.

Mr. TABER. That, of course, is true.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MARTIN of Oregon. The gentleman is stressing only the economic feature. Does not the gentleman think there is more to these bills than economy?

Mr. TABER. Certainly; there is a lot more to these bills than economy. There is effective national defense and there is ineffective national defense which can come as a result of ill-considered legislation.

Mr. MARTIN of Oregon. Who are the best judges of this efficiency?

Mr. TABER. Those who spent their time on it to the fullest.

Mr. MARTIN of Oregon. Then, those groups are the Committees on Military Affairs and Naval Affairs.

Mr. TABER. I do not know whether the gentleman is correct in saying that they spend any more time on it than the other committee. Frankly, I doubt it. I do not believe that they give near equal consideration to most of these matters.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. HILL of Alabama. Is there not legislation in this naval appropriation bill that does not come under the Holman rule?

Mr. TABER. Outside of the matter regarding which the committee applied to the Committee on Rules, I do not think there is a single item, with the exception of certain restrictions on the time clock and that sort of thing at the end of the bill, which is, in my opinion, out of order, and which has been thrown out in the House on points of order many times, but placed back in the bill by the Senate and finally agreed to in conference.

Mr. HILL of Alabama. There is a provision that would permit Admiral Pratt to remain on active duty.

Mr. TABER. That is not legislation. That is a change in our limitation with reference to the number on the retired list who might be permitted to be called to active duty.

Mr. HILL of Alabama. Is that a matter which can be provided for in an appropriation bill, or is not that a matter which is fixed by substantive law?

Mr. TABER. Under substantive law those on the retired list can be assigned to active duty; but, in the past, there have been limitations preventing more than a certain number paid out of the funds appropriated in a bill to be carried on the active list, and this is a change in that limitation, not legislation.

Mr. HILL of Alabama. Of course, the gentleman knows that this, perhaps, would mean the setting of a precedent. I know the Committee on Military Affairs refused to do this very thing for General Pershing who had been Commander in Chief of the American Expeditionary Forces.

Mr. TABER. That is up to the House.

Mr. HILL of Alabama. It is a very far-reaching matter if carried to its ultimate conclusion.

Mr. TABER. Under the law at the time General Pershing retired the War Department should have assigned him to active duty without any specific legislation for that particular purpose as I understand it. Now, I may be wrong, but this is my understanding.

Mr. HILL of Alabama. No; they wanted special provision made in his case.

Mr. TABER. Well, that might be.

Mr. Chairman, I have discussed the committee proposition as long as I intend to. I just wanted to project the thoughts I had on the subject and lay them before the House for its consideration.

I want to say something at this time about the general naval situation. I want to talk for just a moment about the condition of the Navy and express my idea somewhat as to what should be done about it in the years to come.

Mr. Chairman, I believe our battleships are in just as good shape as those of any other nation. I believe our cruisers are in good shape. We have 10 cruisers which were built along about 1922 to 1925 of about 7,200 tons each. We have built 8 of the 10,000-ton 8-inch-gun cruisers, and we have under construction 6, and 3 appropriated for, a total of 9.

We have more cruiser tonnage under construction than any other nation. This shows that we are catching up on the other countries and going along now where we ought to be in that direction. With this bill, if it becomes law, we will have appropriated for everything we are allowed to appropriate for in the line of combatant ships with the exception of six light cruisers that might be appropriated for. No estimates have been submitted and no pleas have been made by the Navy Department for the construction of anything of this kind. Frankly, in my opinion, I believe at least one of them ought to be provided for; and I believe the department should give its attention to providing for one of them just as soon as possible, in order that we may know the type of cruisers we want to build. When we built the 10,000-ton 8-inch-gun class, we built too many in a hurry. Now, I think we ought to begin and build one with a flying-on deck, and go ahead from that point and build up this group of cruisers.

With reference to submarines, I think we ought to have an authorization bill from the Committee on Naval Affairs

which would permit us to go with the building program within reason.

With reference to destroyers, we have now exhausted the authorization for destroyers with this bill. We need to build more.

Frankly, the fact that we have not had authorization for any more than has been provided for I do not think is a bad idea, because, until now, I do not believe the department has had in its own mind the type of destroyers that it wanted to build. I believe now they have, and we should go ahead with a reasonable authorization for national defense along that line.

I hope when the Naval Affairs Committee brings in a bill it will not bring in too large a bill, but will bring in a bill that will care for building needs for the two years next succeeding. I think that is the way to get at things—to go at them from the point of view of our actual needs, rather than from something we may need four or five years ahead. I think in that way we can have a better-ordered program.

Now, I want to talk to you a little bit about officers' pay. At the present time the minimum pay of an ensign is \$2,000. The maximum pay is \$2,200. The minimum pay of a lieutenant, junior grade, is \$3,358, with allowances; and the maximum pay runs up as high, due to constructive service, as \$4,998.

The normal pay of a lieutenant, senior grade, is \$4,158; while the maximum, under the constructive-service proposition, runs up to \$6,357.

The pay of a lieutenant commander, normal, is \$5,757, while the maximum runs up to \$7,200.

The pay of a commander, normal, is \$6,997, while the maximum runs up to \$7,200.

The pay of a captain is \$7,200, unless he happens to be at sea, and then it is something like \$6,200.

Now, it is perfectly manifest that these maximums are much too large and pay the officers much more than they ought to be paid.

I have here a chart which shows the minimum and the maximum in the grades. I do not know whether you can see it, as it is small; but it shows great big peaks running up here for each rank. It shows that among the lieutenants, junior grade, and among the lieutenants, senior grade, and the lieutenant commanders, there are great big spreads in the amount of pay, ranging from \$2,200 in the lieutenant, junior grade, up as high as \$4,900; in the lieutenant, senior grade, from \$2,500 up to \$6,300 or \$6,400; in the lieutenant commander, from \$2,900 up as high as \$7,200; and in the commander from \$4,600 up to approximately \$7,200.

This same situation exists in the Army, but in perhaps a more pronounced degree. About the only way you can save any money effectively in the Army and the Navy bills is by wiping out this inequality.

You have a situation where officers are not paid according to their rank or according to their responsibilities. On the battleship *Maryland*, on November 18, 1928, a particular day, a lieutenant commander in the Medical Corps received the most pay of any officer on the ship, \$7,172. A commander, who was the executive officer, received the next highest amount, \$6,997. The captain, who was in command of the ship, was the next, \$6,219. The next was a lieutenant, engineering, matériel officer, who received \$6,207. A lieutenant commander, who was the engineering officer and in charge of all the engineering work on the ship, and who was in charge of the lieutenant last named, received \$5,757, and so on all the way down the line.

Mr. McSWAIN. Will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. McSWAIN. Has the gentleman the facts there as to the ages of the lieutenant commander of the Medical Corps and the lieutenant commander who was the executive officer of the ship and the respective length of their services in the Navy?

Mr. TABER. I have not the ages, but I have the years of service. The lieutenant commander in the Medical Corps had 27 years of service, part of which was constructive.

The commander who was the executive officer had 25 years. The captain who was commanding, and who was the third in point of pay, had 33 years of service, and the engineering materiel officer had 28 years of service, including a considerable item of constructive service.

Mr. McSWAIN. In the service of the captain was the 4-year period of his cadetship at the Naval Academy counted?

Mr. TABER. Yes; and two years more where he served as a midshipman at sea, making six years of constructive service.

Mr. McSWAIN. Perhaps, then, he had not actually had 27 years of commissioned service.

Mr. TABER. The Navy used to have a practice of delaying commissions for two years after graduation from the academy. I do not think the Army had this practice. So, frankly, the two years, in my opinion, ought to be counted toward their commissioned service.

Mr. McSWAIN. But as to the medical officer, the chances are that in addition to his general education he had four years of professional education at his own expense before he was ever commissioned, and therefore the chances are he is several years older than this captain of the Navy or this lieutenant commander of the Navy in the line.

Mr. TABER. I would be rather inclined to doubt his being older than the captain.

Mr. McSWAIN. I am speaking about the lieutenant commander of the Medical Corps.

Mr. TABER. I doubt his being older than the captain, but I would not doubt his being older than the commander.

Under this constructive service proposition, the Navy is paying out approximately \$1,600,000 more than I believe it should. The Army is paying out \$3,500,000 more than I believe it should, and, manifestly, this situation ought to be corrected.

I offered an amendment to the Army bill, which was adopted and which I believe is the best way of correcting this. Frankly, somebody else may have a better way. I think it ought to be corrected and ought to be corrected now, at a time when we need to save money, so that we can go on with the things that we need to do that really mean national defense.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. TABER. Yes.

Mr. MARTIN of Oregon. The gentleman realizes that in 1922, when Congress took this question up, it gave it meticulous attention and adopted a system then whereby the pay of officers was primarily dependent on their years of service.

Mr. TABER. It did not base the pay upon service. It based it upon imaginary service. It is not right that the office boy should be paid more than the man who carries the load and the responsibility, and I do not think it is fair to the Government of the United States and I do not think it is fair to the morale of the Army officers who are carrying the load.

Mr. MARTIN of Oregon. You would destroy that morale.

Mr. TABER. I would not; I would restore it.

Mr. MARTIN of Oregon. You would absolutely destroy it.

Mr. TABER. The gentleman is mistaken on that subject. I believe it would do more than anything else to put morale into the Army. I do not think you can pay the office boy more than the man who is the boss, carrying the real responsibility, and not have destruction of your morale.

I do not think there is any dispute about this, and I hope the conferees on the Army bill will be able to work out this situation. I hope that the amendment will be adopted and we can save some money that can be used for the necessary things for national defense.

Mr. HOUSTON of Hawaii. Will the gentleman yield?

Mr. TABER. Yes.

Mr. HOUSTON of Hawaii. The only time the amendment known as the Taber amendment received any hearing was in the War Department Appropriations Committee of the Senate, and there the Chief of Staff of the Army said the following:

My immediate purpose is to urge the elimination from the bill of two provisions, the inevitable effects of which will be so detrimental to our defense establishment as to overshadow completely the small amount saved.

mental to our defense establishment as to overshadow completely the small amount saved.

Mr. TABER. But if the gentleman would realize the true situation, the Chief of Staff presented no reason whatever and no justification for such a proposition as paying more than ought to be paid to these officers. This is where the trouble is. They just say something which they do not seem to understand. I have had hundreds of letters from Army officers supporting my position, and these officers are out in the field doing the work and know the demoralization brought about because of this discrimination in pay. I do not believe the picture has been presented in the right way to the Congress.

Mr. GOSS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. GOSS. Does the gentleman think you could have an equitable pay bill for the Army without first settling the question of promotion?

Mr. TABER. Yes; I do. I think you can stop this proposition of paying a junior officer more than you do a senior officer. That very proposition was taken up by the joint pay committee headed by Senator REED, of Pennsylvania, consisting of Mr. FRENCH, Mr. BARBOUR, Mr. CROSSER, Mr. COOPER of Ohio, and Mr. OLIVER, and after extensive study they reported that these inequalities of pay in the ranks which enabled an officer in a lower rank to receive more pay than one in a higher rank, was wrong and that the condition ought to be corrected. Everybody who has studied it thoroughly reports that it ought to be corrected, and I hope that this Congress will correct that situation.

Mr. HOUSTON of Hawaii. Will the gentleman yield?

Mr. TABER. Certainly.

Mr. HOUSTON of Hawaii. The only time when the question was discussed was, as I have stated, and the Chief of Staff made this statement with respect to the 1922 bill.

Admittedly, many cases of individual injustice were occasioned in the equalizing process, and in the main Congress made possible an intricate and involved situation.

Mr. TABER. Those who have studied the bill realize that that is not so. There are many inequalities. I want to cite one, where a major is working under another, a senior in command, and receives \$200 over and above the other, who receives \$1,500 a year less pay. Do you suppose that protects the morale of the Army? It does not, and if we are ever going to stop it, this Congress must stop it.

Mr. GARBER. Will the gentleman yield?

Mr. TABER. Certainly.

Mr. GARBER. Has the correction been embodied in any provision of the pending bill?

Mr. TABER. It has not, it was provided for in an amendment adopted here on the floor to the Army bill.

[Here the gavel fell.]

Mr. AYRES. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. PARKS].

Mr. PARKS. Mr. Chairman and gentlemen of the committee, I listened yesterday with a great deal of interest to the remarks made by the distinguished gentleman from Texas [Mr. BLANTON] with reference to the criticism of Congress by the newspapers and the magazine writers in the United States.

I do not believe there is a man in this Congress that ever dreamed we would ever come to a time when these vile, insulting statements would be spread throughout the United States by the newspaper reporters who receive the courtesy of this Congress.

I warn you there is only one purpose in it. The day they discovered there had come a change in the minds and hearts of the American people to turn the Government over to the progressive element, there was a beginning made to belittle this great Congress and Government down in the minds of the American people.

And to-day, without any reason for it, Congress is as little respected as any Congress that ever sat. The newspapers are not alone to blame for it. I have served here for 12 years and never have I lifted my voice here or elsewhere in criticism of the Members of this Congress. Without bitter-

ness this morning I rise to call attention to some things that are being said by our own colleagues. The distinguished gentleman from Missouri [Mr. SHANNON], honored in his first term by his colleagues here as much as any man who ever sat in Congress, accepted an invitation to make a speech before a joint session of the Legislature of Missouri, an honor that any man ought to appreciate, an honor that ought to bring out of a man the best that is in him. What do you think he said? Listen to this:

Mr. SHANNON spoke for more than an hour before a joint session of the house and senate.

He appears to have forgotten Thomas Jefferson, his patron saint.

Here is what he said according to this newspaper, the Kansas City Star, from his home city:

Relating his first experience on his arrival in Washington when the "red caps" at the station avoided him because Congressmen give only 10-cent tips, the Kansas Cityan gave this short description of Congressmen.

Oh, is not that a splendid statement for a statesman to carry back to a joint session of the legislature of his own State? But that is not all. Of course you know that is a fact that ought to be brought to the attention of the American people, that a red cap would not carry a bag if you were a Congressman! I have never had any occasion to have mine carried. I have had little enough in any that I have had so that I could wag it myself. Speaking of Congressmen, he said:

They rank with policemen—

I do not know whether he was trying to compliment a policeman or a Congressman—

They rank with policemen, most of them even below policemen; they put their relatives on the pay roll the first thing and then start running for reelection. They make a 5-minute speech in the House and then send thousands of copies of another speech, thousands of words long, to their constituents at Government expense.

The inference being, of course, that the speeches are printed at Government expense. Of course, we pay for them. Oh, I have not much time to dwell here with him, but listen to this:

Several times SHANNON described Members of Congress as "tumblebugs," saying, "They tumble first one way and then another."

Did you ever hear that language used on this floor before?

I have looked in the dictionary to see if, perchance, there might be some way by which you could use that term in the presence of decent people, and he was speaking to an audience of high-class people. I challenge anyone to go read the dictionary and see what a "tumblebug" is and put the definition of it in this RECORD.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Yes.

Mr. SCHAFER. Is the gentleman merely quoting from a newspaper account? Does the Democratic subleader [Mr. SHANNON] admit that he made that speech?

Mr. PARKS. I did not ask him.

Mr. SCHAFER. I think we ought to find out, and not transgress the rules of the House.

Mr. PARKS. I shall take care of the rules. This is a newspaper from the home city of the gentleman sitting near me. The gentleman does not deny it. I hope he did not make the speech. Now, let me go over to the other side of the House. You talk over there about demagogues. Ah, gentlemen, in the Democratic Party there may be demagogues, but, thank God, we have not had the Ohio gang to disgrace the Democratic Party like it did your party—and you never raised your voice in protest against it—but let me get along. I have been amazed at my distinguished friend from Massachusetts, whom I have known intimately for 12 years [Mr. UNDERHILL]. He came into this House fresh from the people, and the first thing he did was to attack Members of Congress for letting the lights burn in the daytime in their offices when they were not there, and a distinguished colleague, who is not here to-day, and who is not now on this earth, rose and gave him such a trimming that

he did not open his mouth again for six months. But let me go on and see what he said. He had not been here long in his practice of economy until they put him on a special committee to bring about economies; and, lo and behold, instead of discharging these people on patronage that he says do not amount to anything, they come back here and add more on patronage after his committee acted. What did he do? A man named Walter Brown was made the chairman of a committee, and, with the gentleman's support, Mr. Brown drew \$7,500 a year as chairman of a legislative committee when he was not in Congress, in the Harding régime. And it was over the protest of every Democrat on this side of the House, but with the support of the distinguished gentleman from Massachusetts [Mr. UNDERHILL]. And to-day he complains of a few men around here who are on patronage—one elevator boy to a few Members of Congress—and, if you discharged every single man who is here on patronage in the entire city, the money saved would not run the Government for 15 minutes. Let us see what else he did. He complains about Congress and about the patronage.

When he came here the Democratic Party turned over to him and his party a Treasury with millions of dollars of surplus, and a land that was flowing with milk and honey. After 12 years under his leadership, we have a \$20,000,000,000 indebtedness and a \$2,000,000,000 deficit, and the whole country is broke.

Mr. SCHAFER. To keep the record straight, in 1919, under the Democratic administration, our national debt reached the staggering sum of over \$29,000,000,000.

Mr. PARKS. No; and I will tell you what the Democratic Party did. We came out of that World War. We conducted it under a Democratic administration with honor to the party and glory to the Nation, and your party appointed twenty-odd snooping committees and you did not find a dollar that we had stolen, and before your party had been in power four years, you had a Cabinet officer that you selected on the road to the penitentiary. Oh, yes; the distinguished gentleman wants to fire an elevator boy to save money, but he voted to spend millions of dollars for the Department of Commerce Building that is unnecessary. He has voted, over my protest, to tear down the Post Office Department Building, squandering thousands and thousands and hundreds of thousands of dollars of the taxpayers' money that he is now crying over. I tell you what you need to do. I will tell you what those other gentlemen ought to do. They should get down on their knees and get into closer communion with Almighty God and a sweeter fellowship with man and stop this everlasting abuse and crying out against Congress, based on nothing. Yes. There was an editorial that half the people of the United States probably read declaring not 40 Congressmen were here when an important measure carrying millions of dollars was being passed. Why do you not tell them the Committee on Appropriations from the 1st day of November up until this time has been laboring and laboring, striving to reduce the indebtedness of this Government and cut appropriations by hundreds of millions of dollars? Yet they are sending throughout this land, with newspaper sanction, to every chamber of commerce urging them to write you to cut down appropriations a billion dollars more. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. PARKS] has expired.

Mr. AYRES. Mr. Chairman, I yield two minutes to the gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Chairman, I yield to the gentleman from Illinois [Mr. WILLIAM E. HULL] such time as he desires.

Mr. WILLIAM E. HULL. Mr. Chairman, the question of how to bring back prosperity is answered in this way: Lifting agriculture out of the depression is the first move. How can it be done? First, by making a market to sell farm products in America. Second, by producing a market for the sale of automobiles, tractors, and trucks. Third, by bringing about a greater use of gasoline as a motor fuel.

Paul Beshers, a chemist in El Paso, Ill., has conceived a plan of mixing 10 per cent alcohol with gasoline to be used

in all motor fuels in the United States, and the alcohol to be distilled from the products of the American farm.

This country uses approximately 17,000,000,000 gallons of fuel oil every year; and by using 10 per cent alcohol in all of the gasoline fuel, which would mean about 1,700,000,000 gallons, or, translated in farm products, would mean 680,000,000 bushels of corn, which is about one-fourth of the corn crop of the United States.

Let me analyze this proposition to the Congress of the United States in this way: Alcohol can be made from the products of the American farm. Most of the industrial alcohol of the Nation is now made from blackstrap molasses. This blackstrap molasses is mostly imported, and therefore should not be allowed to be used in the manufacture of alcohol for fuel purposes unless it would be the blackstrap raised in these United States of America.

It is not at all necessary to make all of the alcohol of corn, or barley malt, which makes the yeast, but these products are the most available, the most easily transformed from grain to alcohol; and if the corn of the country is used in this way, it makes it possible for the other products of the farm to be used in other ways, because it takes corn off the market and leaves the other grains for feeding, food, and export uses.

How could this be brought about? By an agreement of the automobile manufacturers and the oil-producing refineries of the country with the agriculture industry.

The mode of procedure would be to get an agreement first with these three great industries of the country. If an agreement could be made with them and it was brought to the Congress of the United States, my judgment is that the Members of the Congress would agree to pass legislation that would bring about the use of at least 10 per cent of the products of the American farm in the production of 200 per cent alcohol to be mixed on a basis of 10 per cent with the gasoline to make the motor fuel of the country.

Distilleries would have to be built for this purpose. They should be built with a large capacity and in locations where alcohol could be produced at the lowest possible cost. Twenty-five thousand bushel distilleries would operate less expensively than the smaller distilleries. The locations should be where there is cheap fuel and in the heart of the corn-producing area. These distilleries could be located in different strategic points and the places where I believe the alcohol could be made the cheapest would include the following cities: Hammond, Ind.; Terre Haute, Ind.; Cincinnati, Ohio; Sioux City or Davenport, Iowa; Pekin and Peoria, Ill. I am rather bashful about mentioning Peoria because it is my home city, but, on the other hand, it was the location of the large-sized distilleries of this country before prohibition, the reason being that it is located in the central part of the corn country, has 14 railroads running into it, has coal within a proximity of 5 miles, and is now on the great inland waterway system. It has good water for distilling purposes, which is a necessity. It has cheap coal and good shipping facilities for bringing in the grain and taking out the finished product; besides, it is accustomed to this very large business and would in all probability be the leading city in the United States for the manufacture of 200 per cent alcohol to be mixed with the gasoline for motor fuel.

At this juncture I will give you some reasons why agriculture has failed, and if you will follow the trend of my remarks you can easily see the reason of agriculture's overproduction. The overproduction is caused largely by the decrease in the animals of the Nation. This was brought about by the increase in automobiles, trucks, and tractors. There has been a general decrease of animals and also a decrease in the birth rate of the Nation, and I quote as follows:

Comparing 10 years from 1920 to 1930: Decrease in birth rate from 23.7 per cent to 18.9 per cent; the number of horses on the farms decreased from 20,000,000 to 13,000,000; the number of cattle on the farms, not including cows, decreased from 47,000,000 to 35,000,000.

In these 10 years there was an increase of 17,000,000 automobiles and a decrease of 23,000,000 farm animals.

Less than one-fourth of the volume of all farm food products is consumed by people and more than three-fourths by other living things, chief of which are cattle, horses, and pigs. Thus between the years 1920 and 1930 the consumption of farm food products by the population of the United States increased in volume from 106 to 122, while the consumption of farm products by all animals, including mules and cows, but not including sheep, changed from 577 to 490. The total consumption of food products by the population and animals changed from 683 in 1920 to 612 in 1930, a decrease of about 11 per cent. In the same time our exports of crude and manufactured foodstuffs decreased (average 1920, 1921, 1922) from \$1,400,000,000 to \$680,000,000 (average 1928, 1929, 1930), a decrease of about a further 7 per cent of the total production of farm crops.

It would, therefore, seem that in spite of an increase of the population from 106,000,000 in 1920 to 122,000,000 in 1930 the total consumption in the United States and the exports of food products from the United States together declined in volume about 18 per cent in this period. Stated quite clearly, with 26,000,000 automobiles in use, and the consequent loss of farm animals, there is no market, and in the immediate years to come there is not in sight any market, for 18 per cent of all the food crops produced in the United States.

Each automobile, as nearly as can be calculated, means the death of one and one-quarter animals. Each automobile, by destroying the demand for animals which otherwise would have lived, means that 1½ acres of American farm land no longer has a market for its products. Would it not be fair and just that each automobile should remedy the destruction it has caused and be expected to consume its allotted portion of farm products? The most perfect fuel would be 200 proof ethyl alcohol mixed with gasoline.

The United States Navy and the United States Post Office have found that gasoline, when mixed with absolute alcohol, produces a superior airplane fuel. (Quotation from *Encyclopædia Britannica* under Alcohol.)

If the mixture is an actual advantage as a motor fuel, then a solution of our entire agricultural problem becomes apparent. The simple requirement, that 10 per cent of all gasoline must be a vegetable product, immediately would demand the use of the products of approximately the 30,000,000 acres of farm land for which the market has been destroyed by automobiles. This would furnish a no-knock fuel at an increase in the cost of gasoline of less than 2 cents per gallon, which is about the present cost for similar fuel, and, comparatively speaking, is a small price to pay for rebalancing the chief cause of the present world depression.

In addition to this statement there is a reason why the automobile manufacturer and the gasoline producer should consider this bill, and I quote Sidney A. Swensrud, assistant to the president of the Standard Oil Co. of Ohio:

In reference to 1933 outlook for automobiles in use, effect on gasoline consumption at the end of 1933, it seems probable there will be approximately 4,850,000 cars and trucks less in use, available for gasoline consumption, than at the close of 1930, a decline of approximately 20 per cent.

Should we produce only the average number that was produced from 1923 through 1930, namely, 3,600,000 a year, presumably we would just keep even with the dismantlements and consequently not increase the total number of cars in use. In that case the oil industry would have to reconcile itself through the next half dozen years to a market that was approximately 20 per cent smaller than it was in 1930.

It is apparent from this statement that the gasoline producers are taking notice of the loss that they are to sustain in the nonproduction of automobiles.

There is no way to increase the production of automobiles in this country except through the improvement of agriculture. If the farmer can sell his grain at a profit so that he will be financially able to purchase automobiles, he will purchase them and then in turn will purchase gasoline.

It is quite evident that this bill, if passed by the Congress of the United States, would be of an equal benefit to the farmer and the automobile manufacturer and to the gasoline producer. These three great agencies can, if they will, com-

bine on legislation of this character and pass it in the Congress of the United States and thus relieve agriculture of its terrible depression.

Congressman HOMER HALL, of Illinois, and myself, WILLIAM E. HULL, of Illinois, introduced two bills very similar. Mr. HALL's bill was H. R. 14626. My bill was H. R. 14627. These two bills were referred to the Ways and Means Committee.

We have consulted each other in the writing of these bills. We have made them different purposely so that the Ways and Means Committee would be able to develop a bill to present to the House that would meet all the requirements. I am positive that if the Members of Congress will give these bills due consideration and adopt legislation to compel the mixing of gasoline and absolute 200 proof alcohol that it will be the means of bringing the farming industry of this Nation out of its terrible indebtedness, because it will use up all the surplus grain in the country and will replace the amount of grain that would have been fed to the people and to the animals of the country and the loss of export grain by having the automobile, the truck, and the tractor use it in the form of fuel.

I present this matter to the House to-day with a suggestion that those who remain in Congress as our successors will give this legislation due consideration and pass it through the Congress of the United States. By doing this you will win a great victory for the farmers of the Nation. [Applause.]

Mr. COLE of Iowa. Will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. COLE of Iowa. The alcohol used in gasoline would have to be about 200 proof?

Mr. WILLIAM E. HULL. Two hundred proof.

Mr. COLE of Iowa. How many gallons of alcohol can be made from 1 bushel of corn?

Mr. WILLIAM E. HULL. Five proof gallons.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. WILLIAM E. HULL] has expired.

Mr. FRENCH. Mr. Chairman, I yield one minute to the gentleman from Tennessee [Mr. LOVETTE].

Mr. LOVETTE. Mr. Chairman, I rise at this time to call attention to a resolution which I am introducing to amend the Constitution of the United States. I will not have time to discuss this resolution, but hope at some later date to have an opportunity to do so. I ask unanimous consent to insert the resolution in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The resolution referred to is as follows:

Resolved by the Senate and House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States.

ARTICLE—

SECTION 1. The Congress shall have power to regulate the hours of labor in mines, mills, factories, and workshops engaged in the manufacture and production of goods or commodities transported or to be transported in interstate commerce.

Sec. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by three-fourths of the legislatures of the several States within seven years from the date of its submission.

Mr. LOVETTE. The Committee on Labor has taken a great deal of proof showing the conditions of unemployment in the country, and in an effort to remedy the same has reported favorably a bill limiting the hours of labor to five days per week and six hours per day in the manufacture of all goods and commodities to be shipped in interstate commerce. I understand also that a similar bill has been favorably reported in the Senate. I am of the opinion that neither of these bills will become a law in this session of Congress. I am also convinced that such legislation would be declared unconstitutional, or at least that there are such grave constitutional questions involved that the chances are largely against its constitutionality. It is urged by some that the general-welfare clause of the Constitution is suffi-

cient to warrant such legislation by Congress. I do not think so. The Supreme Court has held in a number of cases, and particularly in the child-labor case, that such legislation is in violation of the Constitution. I am, therefore, proposing this resolution as an amendment to the Constitution so that there can be no question as to the authority of Congress to enact this legislation, if it should desire to do so. We are in a great crisis; business is paralyzed everywhere; 12,000,000 people are out of employment and conditions are growing worse every day. Something must be done. Something must be done by Congress or something will be done by this vast army of unemployed which is now, in a large part, living on charity. The charity organizations of the country are becoming exhausted. They can no longer meet the demands and certainly the demands of an increasing army of unemployed. If business should be revived and production brought to the normal of ordinary prosperous times, that is, to a state sufficient to supply the normal demands in reasonably prosperous times, there would still be 6,000,000 people out of employment. It, therefore, becomes necessary to limit the hours of employment in order to distribute labor equitably among those who are competent, qualified, and willing to work. The only chance, and the only hope to secure a proper and equitable division of work is by limiting the hours. It can only be done by the Federal Government. To leave it to the States would require uniform State laws on the subject, which is impossible to obtain. The States can not, or will not, pass such laws and make them uniform. It seems that the efficiency of machinery in this machine age has brought disaster to labor. It must be controlled in some way. Even during this depression the experts tell us that the efficiency of machinery has increased 25 per cent and is still increasing. To bring about a proper readjustment of the labor situation and to protect labor against unemployment, legislation by Congress limiting the hours of work is necessary. I hope at some early date to be able to discuss this resolution more fully, and I submit it in the hope that those who are interested in this subject, and particularly the lawyers of the House, give it serious consideration.

Mr. GOSS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this place in the RECORD and to include certain excerpts from the testimony of the Chief of Staff on the War Department appropriation bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The matter referred to is as follows:

From the very beginning it has been the unswerving purpose of our Government to maintain the American Army, including the commissioned personnel thereof, as a true product of democracy. Our forefathers flatly refused to adopt the European practice of reserving military commissions for the sons of the wealthy and aristocratic classes. Instead they determined to fix rates of pay for officers on a basis that would permit any man possessing the necessary ability, character, and inclination to enter the military profession without regard to social or financial standing. In furtherance of this same purpose, appointments to the officer corps have long been made on the basis of competitive examination, a system that is now used by the vast majority of Senators and Representatives in designating candidates for West Point.

The result of these measures is a corps of officers constituting a representative cross section of educated Americans. Each member of that corps undergoes a progressive and thorough military training. Salutary laws require elimination of the obviously unfit. The further result of all this is that the standards of ability among commissioned personnel have been maintained at levels at least equaling those prevailing in any other of the leading professions. On a comparative basis efficiency has been remarkably high; emoluments have been disproportionately low.

Since 1861 the laws governing Army compensation have been based upon the principle of combining a current salary supporting a reasonable living standard with a retired pay to which the officer becomes entitled, either through years of continuous service or because of disability incident thereto.

There are several compelling reasons for adhering to a system of this general character. One of them is its effect in avoiding wasteful turnover in commissioned personnel. Without a liberal retirement feature, the officer, always on a meager salary, would be tempted to enter civil life whenever opportunity for immediate betterment presented itself. It is an obvious governmental extravagance to educate for the Army fine young men of upstanding character and good minds and then have them resign because of an utterly hopeless future.

Maximum retired pay is fixed by law at three-fourths of active-duty pay; but the actual ratio is much less than this, since upon retirement certain allowances which accrue to active officers are automatically terminated. The average pay of an officer after retirement is about 55 per cent of that he was receiving just prior thereto.

Laws governing active-duty pay have always taken full cognizance of the advantages accorded the officer by reason of his retirement privilege. Consequently pay schedules have habitually been fixed at levels below those for civil positions in which equal ability and efficiency and unimpeachable integrity are required. This differential has often been far too great.

I want to make perfectly clear my conception of the officer's position with respect to the matter of pay.

An efficient army is a priceless possession of a government, while an inefficient army is the greatest extravagance that a government can have. The Army, therefore, requires that its officers be men of the highest type. Such men can not be secured for a wage. They are not hirelings. There is not a job but a career and a life work of devotion to duty.

The officers and soldiers of an army are expected to consecrate themselves to their country, to subordinate their personalities, their rights, their privileges, and their opportunities to the good of the Nation as a whole. In time of peace officers and soldiers are at a material disadvantage. They must give up the opportunities offered them in our country for gain and for prosperity in civil life. They often live in remote places and under trying climatic conditions that affect their health and the health of their families. They sacrifice what is very dear to everyone—community interests and associations. They are often socially isolated, not from choice but because their economic condition prevents them from participating in the normal lives of civilians of the same education, character, and attainments. They bear the expenses of constantly adjusting their family possessions to the requirements of new dwelling places. They must purchase costly uniforms as well as the normal outfittings of civilian clothes. They are at a disadvantage in the education of their children by reason of frequent moves, and are not able in the majority of cases to send their children to private schools.

Every man in this country has a right to aspire to the improvement of his scale of living. It is one of the blessings of our free Government. Every man in this room has aspired to and no doubt has attained a better place in life, and Army officers are like the rest of the people. I believe that all public-spirited Americans expect the Army to be taken care of by the Government in a way that is commensurate with the importance of their mission in this great country. They expect their officers to be given, by the Government, a scale of living that will enable them to have self-respect and to be respected by their associates, and that will give the country and the people a sense of pride in them as their protectors in war and as the men who must prepare this country for war and lead it in battle.

With this background of the purposes and general character of traditional pay and retirement policies I take up first for specific comment the restrictions proposed in this bill upon active duty pay.

The current pay law was enacted in 1922, and more than any previous one is based directly upon the principle of increased pay for increased length of service. Due to the heterogeneous character of the active list at that time, Congress appreciated that a very unequal flow of promotion was to be anticipated, and that large numbers of officers were facing the certainty of many years with little or no advancement in rank. A gradually increasing remuneration was devised as a partial amelioration of the inescapable evils of this situation.

Also because of the nonhomogeneous composition of the list, attempt was made to equalize credit for services of various kinds previously performed, and initial rates of pay were fixed on this basis. This introduced no new principle into our pay system. Cadet service had been authorized as a credit toward longevity for every officer who entered the Military Academy between 1832 and 1912. Enlisted service has been counted for the same purposes for about a hundred years. In addition, the 1922 law took cognizance of prior service in the National Guard and in the Philippine Scouts. Admittedly many cases of individual injustice were occasioned in this equalizing process, but in the main the Congress made the best of an intricate and involved situation. All officers of the pre-war Army were fully protected in previously accorded rights, while those only recently commissioned thoroughly understood the conditions specified in that legislation. Every officer has naturally believed that if Congress should ever alter the essentials of the policies then laid down or reaffirmed, it would do so only after a full consideration of all pertinent factors and in such manner as would not adversely affect the rights and privileges then proffered him.

There is ample evidence of the meticulous care the Congress has always exercised in this regard. When the practice of counting cadet and midshipman service for longevity purposes was discontinued by law in 1912, there were definitely excluded from the provisions of that act all men then included in our military and naval services. Again, in the general revision of pay laws in 1922 it was specifically provided that no officer should draw less pay under the new act than he was then entitled to under the old.

Leaving for the moment all questions of good faith and justice involved in this proposal, it is pertinent to inquire into the material sacrifices that would be imposed thereby upon the several groups most seriously affected. I have already commented upon

the relatively low levels at which officers have always been remunerated. The general rates of pay in effect just prior to the beginning of the present economic depression were established in 1922. They represented very slight increases over the rates prevailing in 1908. When compared to the enormous salary rises experienced in other professions during the 70-year period following our Civil War, present Army pay is far behind the schedules of 1870. A few random comparisons will clearly establish the very unfavorable position of our officers with respect to the pay situation.

In 1870 a Cabinet officer received \$8,000, a Member of Congress \$5,000, and a major general \$7,500. By 1925 Cabinet pay had risen to \$15,000, or an 87 per cent increase; congressional pay to \$10,000, or a 100 per cent increase; and the pay of a major general to \$8,438, or a 12½ per cent increase.

In summarized form I present here a group analysis of increases in various governmental services covering the period 1908-1928.

Services	Pay range, 1908	Pay range, 1928	Per cent of increase in median of range
Cabinet	\$12,000	\$15,000	25
Assistant Secretaries	4,500	9,000-10,000	111
Congress	7,500	10,000	33
Judiciary	6,000-13,000	10,000-20,000	57
Foreign Service	1,000-3,000	2,500-9,000	187
Civil service (clerical)	720-3,000	1,260-6,000	95
Post-office inspector	1,200-3,000	2,800-4,500	78
Civil service (mechanical)	601-1,878	1,327-5,333	169
Public schools, District of Columbia	500-2,100	1,400-4,400	123
Army and Navy	1,870-9,538	1,719-9,700	-----

¹ Maximum permanent salary with all allowances.

In the Army the average increase, counting all grades, has been approximately 11 per cent during the same period.

The teaching profession has long been known as one of the most poorly paid. Disregarding temporary reductions due to the current depression, members of this profession are paid in New York City the following annual salaries:

Superintendent of schools	\$25,000
Assistant superintendent	12,500
Examiners	11,000
District superintendents and principals of high schools	8,000-10,000
Elementary-school principals	5,500-7,500
Teachers	1,608-4,844

No officer of the Army can hope to attain to the rates of pay indicated for the three highest classes of officials on this list. Only a major general can ever draw the salary of a high-school principal, the fourth classification given above, and only a senior field officer receives the average pay of the elementary-school principal, the fifth classification above. A captain of 15 years' continuous service draws a smaller salary, even when counting all allowances for dependents, than the maximum provided by New York City for a teacher in its schools. A second lieutenant stationed in the field or in a garrison, and without dependents, must serve nine years to reach a pay level of \$2,500 per year.

Comparison with foreign armies reveals an equally unfavorable situation in the American Military Establishment. The only other country in which standards of living approach those of the United States is Great Britain. Since that country, like ours, also uses the volunteer system in her defense forces, a brief analysis of the military pay schedules prevailing there is pertinent to this discussion.

The normal pay of the British chief of staff, at regular rates of exchange, is approximately \$25,000, compared to \$10,419 in our own Army. In the British forces are a number of generals and lieutenant generals who normally draw, when in positions of command, about \$17,500 per year. These grades are unknown in our Army in time of peace, except for the temporary rank given the Chief of Staff. A British major general commanding a division normally receives some 40 per cent more than our officers of equal rank. In lower grades the schedules are more nearly alike. The significance of this comparison lies in the fact that for every kind of position in the industrial and commercial fields American rates of pay are far in excess of the British scales. In some of the trades and professions the ratio is as high as 2 or 3 to 1. This applies also to certain civil positions of government. As an extreme example, the pay of a member of Parliament is one-fifth that of an American Congressman and is about the same as that of a lieutenant in the British Army.

By every standard of comparison it is plain that our officers have habitually served at extremely low rates of pay.

The amendment included in the bill as it lies before you would reduce, in varying degree, the pay of those active and retired officers with less than 30 years' commissioned service in the Federal forces who have heretofore been credited by law with service of other kinds. Parenthetically I may remark that no colonel, brigadier general, or major general, or any other active officer commissioned prior to 1904, would have his pay reduced one cent under this amendment.

Senator REED. This would not affect you at all, would it?

General MacARTHUR. No, sir; in no respect whatsoever, nor any of the senior officers. It hits the juniors.

Two of the groups that would suffer most severely under this proviso are former National Guard officers commissioned in 1920 and others who have some years of enlisted service to their credit. West Point classes from 1904 to 1910, inclusive, would be affected in relatively minor degree, but graduates of that school in the classes of 1911 and 1916 would suffer substantial present and future losses. The West Point class of 1903 entered the service under identical conditions as to kinds of service credited toward longevity as did each succeeding class to include the one graduating in 1916. The 1903 man has drawn longevity pay for 30 years for a kind of service that it is now proposed to eliminate, yet under the terms of this amendment he would suffer not one cent of loss during the coming year, while a 1913 graduate would lose more than \$1,200.

The general result of this amendment would be that on the active list the major portion of the sacrifice would be borne by men who were commissioned just before, during, and after the World War. This group constitutes in general what is known as the hump, every member of which had World War service. They face a bleak future now in the matter of promotion, and to add this additional burden seems uselessly unfair and unjust.

Altogether, some 4,000 active officers and about 50 per cent of the retired list would be affected. Among the latter group it is a tragic fact that most of those who would suffer this reduction have been retired for disability in the service of their country. One of these would lose one-third of his present pay. In the vast majority of all cases on both the active and retired lists these reductions would represent real financial hardship.

The effects of this amendment would, of course, extend beyond the confines of the Regular Army. Every reserve officer when called to active duty and every National Guard officer serving his annual tour in camp would suffer a direct, and in many cases a very considerable loss in pay. Obviously these citizen soldiers increase in value to the Government through their years of service in their respective components. Yet since this type of service is specifically excluded for longevity purposes, no reserve or National Guard officer could ever have his pay increased except through the exceedingly slow process of promotion.

But beyond the matter of inequitable distribution of this burden among military personnel a further question presents itself. This involves the justice of requiring men in the uniformed services to make greater sacrifices than any other group of public servants.

From the officer's meager salary there is taken under the economy act 8½ per cent, a figure which now seems likely to be increased to 10 per cent. His rental allowance has been reduced by 10 per cent, and that for subsistence by approximately 14 per cent. These two reductions we are informed will be increased for the coming year to 20 and 28 per cent, respectively.

Additional pay authorized for many years for mounted officers, for duty as an aide, for particular positions at West Point, and for other special assignments has been eliminated. In addition to the reductions enumerated the Army officer, like all other citizens, is subject to general taxation. He pays Federal income taxes and many types of municipal and State taxes when living in a civil community. The net result of all this is that men in the uniformed services are returning to the Government a far greater proportion of their normal salaries than is generally realized. In every case these contributions are greater than are required for other Federal officials and employees of equivalent authorized income. It is estimated that in the average case these contributions to Government from the Army officer's salary run from 16 to 20 per cent.

Our commissioned officers regard all these sacrifices as burdens to be uncomplainingly borne in response to the need of the Government. But in the case of the amendment now before you an entirely different picture is presented. They can not help but feel that discrimination against them has been accentuated, and that this arbitrary action would constitute virtual repudiation by the Government of a long-standing pact entered into with its sworn defenders. This feeling is not confined to those officers directly affected. Rather there is general apprehension that this proviso serves notice of the Government's intention to disregard prior commitments and promises whenever it may become convenient to do so. Should this apprehension change to conviction the effect in the uniformed services would be scarcely less than demoralizing.

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

To reimburse the State of California, \$25,000; the State of Massachusetts, \$25,000; the State of New York, \$25,000; and the State of Pennsylvania, \$25,000, for expenses incurred in the maintenance and support of marine schools in such States as provided in the act authorizing the establishment of marine schools, and so forth, approved March 4, 1911 (U. S. C., title 34, sec. 1121), and for the maintenance and repair of the particular vessels loaned by the United States to the said States on the date of the approval of this act for use in connection with such State marine schools, \$110,400, and no other vessels shall be furnished by or through the Navy Department; in all, \$210,400.

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. GOSS: On page 5, beginning in line 3, after "\$110,400," strike out the remainder of the line and all of lines 4 and 5.

Mr. GOSS. Mr. Chairman, if this language remains in the bill, would it become permanent law?

Mr. AYRES. No. It is just confined to this bill.

Mr. GOSS. It is just confined to this year?

Mr. AYRES. It is just confined to this year. That is all.

Mr. GOSS. I have no objection to carrying the language this year, but I would not want that to go in as permanent law.

Mr. AYRES. It is just for this year.

Mr. GOSS. Mr. Chairman, on the statement of the gentleman from Kansas, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The amendment was withdrawn.

The Clerk read as follows:

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers of the Naval Reserve, and pay, allowances, and subsistence of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay of officers and enlisted men of the Fleet Naval Reserve for the performance of not to exceed 48 drills per annum or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, \$3,346,960, of which amount \$57,000 shall be available immediately; not more than \$150,000 shall be available for maintenance and rental of armories, including pay of necessary janitors, and for wharfage; not more than \$81,000 shall be available for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department; not less than \$533,141 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, not more than \$397,914 shall be available, in addition to other appropriations, for fuel and the transportation thereof, and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels assigned for training the Naval Reserve, and of such total sum \$1,163,155 shall be available exclusively for and on account of Naval and Marine Corps Reserve aviation: *Provided*, That no appropriation contained in this act shall be available to pay more than one officer of the Naval Reserve and one officer of the Marine Corps Reserve above the grade of lieutenant or captain, respectively, the pay and allowances of their grade for the performance of active duty other than the performance of drills or other equivalent instruction or duty, or appropriate duties, and/or the performance of 15 days' active training duty, and other officers above such grades employed on such class of active duty shall not be entitled to or be paid a greater rate of pay and allowances than authorized by law for a lieutenant of the Navy or a captain of the Marine Corps entitled to not exceeding 10 years' longevity pay: *Provided further*, That no appropriation made in this act shall be available for pay, allowances, or traveling or other expenses of any officer or enlisted man of the Naval or Marine Corps Reserve who may be drawing a pension, disability allowance, disability compensation, or retired pay from the Government of the United States; and "retired pay" as here used shall not include the pay of transferred members of such reserve forces.

Mr. AYRES. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. AYRES: Page 13, line 19, strike out "\$1,163,155" and insert in lieu thereof "\$1,134,036."

Mr. AYRES. In adjusting the figures in the paragraph to provide for 48 drills, \$29,119 too much was made available to the aviation branch. The total of the appropriation is not disturbed.

Mr. STAFFORD. Will the gentleman yield?

Mr. AYRES. I yield.

Mr. STAFFORD. This is the item that provides for the pay of the Naval Reserves, I believe?

Mr. AYRES. That is correct.

Mr. STAFFORD. And the committee, as the gentleman stated in his prefatory remarks, followed the Subcommittee on Appropriations for the War Department bill, in departing from the budgetary estimate of 24 drills, and provided for 42 drills?

Mr. AYRES. That is right.

Mr. STAFFORD. And in the War Department appropriation bill, as far as the National Guard was concerned, that increase of drills, I believe, resulted in an aggregate appropriation of \$9,000,000?

Mr. AYRES. Approximately; yes.

Mr. STAFFORD. I thought that was one instance where the Congress, without doing drastic harm to the service of the National Guard, could have curtailed the activity to, say, 36 drills, providing for 3 drills per month rather than 4 drills per month, but it went through this House without any contest at all, surrendering very lightly to the power of the National Guard at home. Now, the committee has followed the policy of the Army Appropriation Subcommittee?

Mr. AYRES. The committee was not disposed to discriminate.

Mr. STAFFORD. How much do these additional drills, 42 instead of 24, entail upon the Treasury?

Mr. AYRES. We have added \$300,000. The department's estimate was \$405,032, but we effected savings totaling \$52,156 and have assumed that the remainder of the difference could be found by the department in administering the appropriation.

Mr. STAFFORD. Last year there was a fight made on the floor of the House, which was defeated by a very narrow vote, providing for the Naval Reserves.

The subcommittee followed the recommendation of the Secretary of the Navy. What is the policy of the committee this year toward that activity, particularly on the Great Lakes?

Mr. AYRES. We are providing for a period of training duty of 14 days as was the practice before this fiscal year.

Mr. STAFFORD. Last year the committee followed the recommendation of the Secretary of the Navy to curtail this activity.

Mr. AYRES. We did; that is right.

Mr. STAFFORD. But the committee has departed from that recommendation this year.

Mr. AYRES. The gentleman is correct.

Mr. STAFFORD. Largely on the ground, I presume, of the policy the House established as to the National Guard.

Mr. AYRES. Partly that, and also because the department and the Budget advocate resumption of the training cruises.

Mr. STAFFORD. There is not much disposition, then, to curtail expenditures after the election. It is all right when we go before the electorate for approval to preach economy, but after the election has been held and the issue decided, economy is then thrown to the winds.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment for the purpose of asking a question. I have received a very large number of letters complaining about the reduction of the number of drills.

Mr. AYRES. I may say to the gentleman that under the bill the number of drills will be continued at 48. We have disregarded the Budget proposal.

Mr. COCHRAN of Missouri. They have not been reduced.

Mr. AYRES. Not at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

The Clerk read as follows:

NAVAL HOME, PHILADELPHIA, PA.

For pay of employees, \$57,182: *Provided*, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native

and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$15,000.

Mr. AYRES. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. AYRES: Page 14, line 18, strike out "\$57,182" and insert in lieu thereof "\$76,806."

Mr. AYRES. Mr. Chairman, I may state that in restoring the several amounts taken off the Navy's estimate by the Budget in anticipation of a 30 per cent wage cut, we failed to put back the \$19,624 taken off this item.

This change does not affect the total of the bill at all because the Naval Home is supported out of the income from the naval pension fund.

Mr. VINSON of Georgia. It is also necessary, in view of the gentleman's statement, is it not, on page 15, line 16, to increase the appropriation.

Mr. AYRES. I expect to do that by unanimous consent.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mr. GOSS. As I understand from reading page 36 of the report, this item is carried as a total permanent indefinite appropriation. It now comes in here on the annual supply bill. This is not in addition to the permanent appropriation, is it?

Mr. AYRES. No; I may say to the gentleman from Connecticut that it is customary to provide specifically for the Naval Home in the bill itself.

Mr. GOSS. May I ask the gentleman if all the permanent indefinite appropriations as far as the Navy Department is concerned are carried in the annual supply bill?

Mr. AYRES. This is the only one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

The Clerk read as follows:

For repairs, preservation, and renewal of machinery, auxiliary machinery, and boilers of naval vessels, yard craft, and ships' boats, distilling and refrigerating apparatus; repairs, preservation, and renewals of electric interior and exterior signal communications and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order and range transmitters and indicators, and motors and their controlling apparatus used to operate machinery belonging to other bureaus; searchlights and fire-control equipment for antiaircraft defense at shore stations; maintenance and operation of coast signal service; equipment, supplies, and materials under the cognizance of the bureau required for the maintenance and operation of naval vessels, yard craft, and ships' boats; purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations, accident prevention, pay of classified field force under the bureau; incidental expenses for naval vessels, navy yards, and stations, inspectors' offices, the engineering experiment station, such as photographing, technical books and periodicals, stationery, and instruments; services, instruments, machines and auxiliaries, apparatus, and supplies, and technical books and periodicals necessary to carry on experimental and research work; maintenance and equipment of buildings and grounds at the engineering experiment station, Annapolis, Md.; payment of part time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicians as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed; in all, \$17,945,950, of which \$250,000 shall be available exclusively for the procurement and installation of new tools and machinery for shops under the cognizance of the Bureau of Engineering and Construction and Repair, and \$540,000 shall be available exclusively to complete the purchase of certain inventions pertaining to radio control as covered by the purchase agreement entered into by the Navy Department on July 30, 1932, in pursuance of the authority vested in the Secretary of the Navy by the naval appropriation act for the fiscal year 1933: *Provided*, That the sum to be paid out of this appropriation for employees assigned to Group 4 (b) and those performing similar services carried under native and alien schedules in the schedule of wages for civil employees in the field service of the Navy Department shall not exceed \$1,796,000.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph which I hardly think I shall press, but I wish to get some information concerning this item which authorizes the Navy Department to purchase certain patents relating to radio broadcasting for which \$500,000 is appropriated in this item.

I read the report. It did not give as full information as I would like to have as to the reason why the committee is authorizing the department to purchase patent rights relating to radio broadcasting.

Mr. AYRES. The current naval appropriation act continued in effect an additional period of 18 months the license agreement entered into by the Navy Department May 2, 1931, for the use of certain inventions pertaining to radio control, and authorized the Secretary of the Navy to enter into contracts for the purchase of the patents covered by that license agreement subject to appropriations therefor.

Mr. STAFFORD. Mr. Chairman, as I stated, I hardly intended to press the point of order even though it were well taken, but the report does not give the information I desired as to the reason for spending half a million dollars for the purchase of patent rights.

Mr. AYRES. Some time ago, pursuant to law, the Navy Department entered into an agreement with Hammond, the patentee, and others, for the lease of this patent, the amounts paid for the lease to apply upon the purchase price.

Mr. STAFFORD. As the gentleman is speaking, and on the suggestion of my friend, the gentleman from Connecticut, there is brought to my mind the recollection that the patent rights for which this appropriation is sought is for directing mechanism connected with torpedoes controlled by the invention of John Hays Hammond, jr.

Mr. AYRES. That is right.

Mr. STAFFORD. As I read the report my mind did not advert to that phase of it.

Mr. AYRES. I may say to the gentleman we went into the matter very fully in the hearings last year. The history of the whole affair will be found commencing on pages 484 and 852 of the hearings of last year.

Mr. FRENCH. Will the gentleman yield?

Mr. AYRES. Yes.

Mr. FRENCH. I think it should be said that probably the Congress intended that the department would have the authority either to purchase outright or to lease the patents. This act was passed about 10 or 12 years ago, and when certain moneys were appropriated an act was passed covering back into the Treasury certain funds in which were these funds. It was thought by the department that while the act authorizing the purchase was not specifically repealed, and when the money was taken away, possibly it was the intent of Congress to repeal the authorization for purchase as well as withdraw the money.

Mr. AYRES. That is right.

Mr. FRENCH. In order then to revive the thought and to give the department authority we have carried the language as it appears in the bill.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield to permit me to ask a question of the chairman of the subcommittee?

Mr. FRENCH. I yield.

Mr. STAFFORD. How many years of the life of the patent remain?

Mr. AYRES. I do not recall. The life of a patent is 17 years.

Mr. STAFFORD. But this has been running for several years. We are now about to appropriate \$500,000. How many more years has the patent to run during which the department will have exclusive control of it?

Mr. AYRES. Under the contract which has been entered into under authority carried in the current naval appropriation act, I should say we are obliged to go through with this matter irrespective of when the patent rights expire.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield that I may ask the chairman of the subcommittee a question?

Mr. STAFFORD. I yield for a brief question.

Mr. VINSON of Georgia. Will the chairman of the subcommittee indicate what section of the bill relates to the

retention of Admiral Pratt, a matter referred to in the report?

Mr. AYRES. We have not got to that.

Mr. VINSON of Georgia. I know that, but I can not locate in the bill the section to which it relates.

Mr. STAFFORD. Mr. Chairman, I decline to yield further. I yielded thinking that the gentleman had some relevant inquiry.

Mr. AYRES. Let me say to the gentleman from Wisconsin [Mr. STAFFORD] that the Government has had the use of these patents over a number of years.

Mr. STAFFORD. How many more years has the patent to run?

Mr. AYRES. I can not state positively. The time is up, no doubt, as to the earlier ones. These patents were granted at various times since about 1914.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of a point of order.

The Clerk read as follows:

BUREAU OF CONSTRUCTION AND REPAIR

For preservation and completion of vessels on the stocks and in ordinary; purchase of materials and stores of all kinds; steam steerers, steam capstans, steam windlasses, and all other auxiliaries; labor in navy yards and on foreign stations; accident prevention; purchase of machinery and tools for use in shops; carrying on work of experimental model tank and wind tunnel; designing naval vessels; construction and repair of yard craft, lighters, and barges; wear, tear, and repair of vessels afloat; general care and protection of the Navy in the line of construction and repair; incidental expenses for vessels and navy yards, inspectors' offices, such as photographing, books, professional magazines, plans, stationery, and instruments for drafting room, and for pay of classified field force under the bureau; services, instruments and apparatus, supplies, and technical books and periodicals necessary to carry on experimental and research work; for payment of part-time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicians as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed; for the difference between inactive and active duty pay and allowances of members of the Fleet Naval Reserve transferred thereto after 20 years' naval service who may be employed as shipkeepers under the cognizance of the Bureau of Construction and Repair; for hemp, wire, iron, and other materials for the manufacture of cordage, anchors, cables, galleys, and chains; specifications for purchase thereof shall be so prepared as shall give fair and free competition; canvas for the manufacture of sails, awnings, hammocks, and other work; interior appliances and tools for manufacturing purposes in navy yards and naval stations; and for the purchase of all other articles or equipment at home and abroad; and for the payment of labor in equipping vessels therewith and manufacture of such articles in the several navy yards; naval signals and apparatus, other than electric, namely, signals, lights, lanterns, running lights, and lamps and their appendages for general use on board ship for illuminating purposes; and oil and candles used in connection therewith; bunting and other material for making and repairing flags of all kinds; for all permanent galley fittings and equipment; rugs, carpets, curtains, and hangings on board naval vessels, \$15,434,800, of which \$250,000 shall be available exclusively for the procurement and installation of new tools and machinery for shops under the cognizance of the Bureau of Construction and Repair and Engineering: *Provided*, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedules of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$2,115,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

This should be a pertinent place to make an inquiry as to the wages being paid to our employees in the Naval Establishment.

I note from the report, and I rather approve the position, that the committee has decided not to recommend any cuts in the pay of the men employed in the navy yards and the Naval Establishment, departing thereby from the recommendation of the budgetary officer.

When I read the report in that particular I was wondering whether the committee had adopted the same policy as to the employees in our arsenals under control of the War Department.

Mr. AYRES. That is my understanding. The Budget made no such proposal touching Army employees and the reason given to us for not doing so was because it was felt

that there was little, if any, disparity existing between the wages of arsenal employees and comparable employees in outside establishments.

Mr. STAFFORD. The question arose in my mind as to whether there was a harmony of policy so far as the personnel connected with our Naval Establishment is concerned that is comparable to those of the War Department.

Mr. AYRES. All I may say is that we have pursued a harmonious course as to a uniform rate of reduction in consequence of the projected furlough law.

Mr. STAFFORD. So the only reduction in the amount of the pay of the employees of the Naval Establishment has been allowing them a 5-day week.

Mr. AYRES. Commonly called the furlough, amounting to about $8\frac{1}{2}$ per cent.

Mr. STAFFORD. To what extent does this $8\frac{1}{2}$ per cent reduction apply to the officer personnel or civilian employees of the Naval Establishment?

Mr. AYRES. It is applicable to all receiving a salary at the rate of more than \$1,000 and under \$10,000 per annum.

Mr. STAFFORD. It does not apply to the employees at least. They are excepted. They are not subject to the cut of $8\frac{1}{2}$ per cent.

Mr. TABER. If the gentleman will yield, I would say that all officers of the Navy are subject to the $8\frac{1}{2}$ per cent cut and all employees are subject to it under the provisions of the economy act.

Mr. AYRES. Those receiving over \$1,000 and less than \$10,000.

Mr. TABER. Of course, if they get \$10,000, there is a larger cut.

Mr. STAFFORD. Otherwise there is a uniform reduction of $8\frac{1}{2}$ per cent?

Mr. TABER. That is the situation.

Mr. STAFFORD. The committee declined to follow a further recommendation of the budgetary officer to have the wages of these men paid comparable to the wages of the employees in civil employment.

Mr. TABER. If the gentleman will yield to me, I will rise to make a statement on that.

Mr. STAFFORD. I will yield so that the gentleman may make a statement.

Mr. TABER. Mr. Chairman, I want to make a statement about this question. I want to say for myself and the gentleman from Alabama [Mr. OLIVER] and the gentleman from Idaho [Mr. FRENCH], that the Budget submitted an estimate from which \$13,000,000 had been deducted on account of a projected reduction in navy-yard employees by reason of a proposed reconvening of the wage board.

It was stated that the Budget estimated that the wages of employees outside of the yards have gone down this much. We had before us the responsible officers of the Navy Department and representatives of employees. They all stated to us that they did not believe that a definite determination could be made as to how much, if any, reduction there was in the wages of workmen outside the navy yards who were performing comparable functions, without the convening of a wage board.

This wage board has been prohibited from reconvening over the past year by the provisions of the economy act. Over the years beginning with 1929 and ending with 1932, they were prevented from reconvening by an order of the President. The President having submitted a Budget proposing this cut, frankly, my own position was, and is, that the House should permit the wage board to reconvene and should establish what the wage ought to be in accordance with the laws of 1862 providing for the wage board. This position, I am authorized to say, is concurred in by the gentleman from Idaho [Mr. FRENCH].

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. TABER. Yes.

Mr. OLIVER of Alabama. I concurred also in that position, but this should be said, that the bill which seeks to

make ineffective the action of the wage board in 1934 has not yet passed.

Mr. TABER. That is true.

Mr. OLIVER of Alabama. And it may be that it will not pass; if so, then the wage board could be reconvened just as it has been convened in prior years, and any action taken by such board would be effective.

Mr. TABER. That is correct, and if it were, and they determined in accordance with the law that the wages outside had dropped, there would be a saving in this bill, because wages could only be paid in accordance with the law.

There was a question as to whether or not the amounts recommended by the Budget should be submitted or an amount carrying a wage on the basis of what it is now should be carried. The full committee decided that the amount should be carried on the basis of what wages are now without the intervention of a wage board, and this is the way the bill was presented to the House.

I wanted to make this statement in order to make my own position clear.

Mr. STAFFORD. Will the gentleman yield?

Mr. TABER. Yes.

Mr. STAFFORD. In the economy provisions of the legislative act of last year a specific item was carried forbidding the operation of the wage board and, as I understand it, this same prohibition is carried again this year in the amendment which we adopted the other day.

Mr. FRENCH. The amendment to the Treasury and Post Office appropriation bill.

Mr. TABER. Yes; that is correct.

Mr. STAFFORD. So the fact is that so far as this body is concerned, we have gone on record as providing for the reestablishment of the wage board.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for three more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. AYRES. I want to state that there is nothing in the economy-act provision that prohibits the wage board from being convened. There is no reason why it can not be convened in an advisory capacity. The language of the economy act simply provides that wages shall not be disturbed by reason of the action of any wage board; that is, there shall not be any reduction beyond that provided by the furlough arrangement by reason of any recommendation of the wage board, but the board may be convened in an advisory capacity.

Mr. STAFFORD. Even though it can be convened, what would be the purpose of its convening when its vitals and its functions have been eliminated?

Mr. TABER. I will tell the gentleman what would be the purpose of convening the board. It would be to demonstrate to the public just what the situation is and what the Government's real, bona fide obligation, regardless of the situation, is to these men.

Mr. STAFFORD. And what the effect would be in case comparable wages were extended to the employees of the Naval Establishment.

Mr. TABER. Yes; it would give us a picture of just what is the true situation.

Mr. STAFFORD. Who comprise the wage board?

Mr. AYRES. Two officers of the Navy Department and one representative of labor.

The pro forma amendment was withdrawn.

The Clerk read as follows:

BUREAU OF ORDNANCE

ORDNANCE AND ORDNANCE STORES, BUREAU OF ORDNANCE

For procuring, producing, preserving, and handling ordnance material, for the armament of ships; for the purchase and manufacture of torpedoes and appliances; for the purchase and manufacture of smokeless powder; for fuel, material, and labor to be used in the general work under the cognizance of the Bureau of Ordnance; for furniture at naval ammunition depots, torpedo stations, naval ordnance plants, and proving grounds; for technical

books; plant appliances as now defined by the "Navy Classification of Accounts"; for machinery and machine tools; for accident prevention; for experimental work in connection with the development of ordnance material for the Navy; for maintenance of proving grounds, powder factory, torpedo stations, gun factory, ammunition depots, and naval ordnance plants, and for target practice; not to exceed \$15,000 for minor improvements to buildings, grounds, and appurtenances of a character which can be performed by regular station labor; for payment of part time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicians as may be contracted for by the Secretary of the Navy in his discretion at a rate of pay not exceeding \$20 per diem for any person so employed; for the maintenance, repair, and operation of horse-drawn and motor-propelled freight and passenger carrying vehicles, to be used only for official purposes at naval ammunition depots, naval proving grounds, naval ordnance plants, and naval torpedo stations; for the pay of chemists, clerical, drafting, inspection, and messenger service in navy yards, naval stations, naval ordnance plants, and naval ammunition depots, and for care and operation of schools at ordnance stations at Indianhead, Md., Dahlgren, Va., and South Charleston, W. Va., \$10,849,750: *Provided*, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$1,262,500.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman as to the status of the armament plant at South Charleston, W. Va.

Mr. AYRES. That is closed down.

Mr. STAFFORD. It has nearly passed out of my mind; but I thought we passed a bill, voted by the Committee on Naval Affairs, disposing of that plant.

Mr. VINSON of Georgia. The gentleman from Wisconsin withdrew his objection to that.

Mr. STAFFORD. I was not the last objector; I did it originally because I thought it was no time to dispose of any Government plant. I believe it had the active opposition of labor. I was looking at it from a business standpoint, on the ground that it would be almost impossible to find a purchaser in these times of depression. If the gentleman from Georgia is a business man, he will agree with me; if he is not a business man, I would like to hear from him.

Mr. VINSON of Georgia. It would have given the Secretary of the Navy the discretion to dispose of it.

Mr. STAFFORD. When that question last came up I was mute as a mouse, and I did not apply the dry torpedo to it under any circumstances.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: *Provided*, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1933, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act), pay—\$27,786,490, including not to exceed \$1,121,070 (none of which shall be available for increased pay for making aerial flights by nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy) for increased pay for making aerial flights, and under the provisions of section 20 of the act approved June 10, 1922, as amended (U. S. C., title 37, sec. 29), no additional compensation shall be allowable or paid to any person in consequence of such statute at a rate in excess of \$1,420 per annum; rental allowance, \$5,501,197; subsistence allowance, \$3,288,744; in all, \$36,576,431; officers on the retired list, \$5,583,000; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, \$3,000; pay of enlisted men on the retired list, \$5,501,162; interest on deposits by men, \$3,000; pay of petty officers (not to exceed an average of 6,760 chief petty officers, of which number those with a permanent appointment as chief petty officer shall not exceed an average of 5,910), seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Fish Commission, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps,

extra pay for men for diving, and cash prizes (not to exceed \$71,500) for men for excellence in gunnery, target practice, and engineering competitions, \$65,900,806, and, in addition, the Secretary of the Treasury is authorized and directed upon request of the Secretary of the Navy, to make transfers during the fiscal year 1934 from the clothing and small stores fund to this appropriation of sums aggregating not to exceed \$1,750,000; outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, civilian clothing not to exceed \$15 per man to men given discharges for bad conduct or undesirability or inaptitude, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water or air borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, \$678,921; pay of enlisted men undergoing sentence of court-martial, \$128,800, and as many machinists as the President may from time to time deem necessary to appoint; pay and allowances of the Nurse Corps, including assistant superintendents, directors and assistant directors—pay \$581,120, rental allowance \$30,240, subsistence allowance \$16,702; pay retired list \$42,200; in all, \$670,262; rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval Reserve, \$10,871,819; reimbursement for losses of property as provided in the act approved October 6, 1917 (U. S. C., title 34, secs. 981, 982), as amended by the act of March 3, 1927 (U. S. C., Supp. V, title 34, sec. 983), \$5,000; payment of six months' death gratuity, \$150,000; in all \$126,072,201, and no part of such sum shall be available to pay active duty pay and allowances to officers in excess of four on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards, as authorized by law, and except one retired officer of the line of the grade of rear admiral, who may be paid the full pay and allowances of such grade: *Provided*, That during the fiscal year ending June 30, 1934, no officer of the Navy shall be entitled to receive an addition to his pay in consequence of the provisions of the act approved May 13, 1908 (U. S. C., title 34, sec. 867): *Provided further*, That no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant.

Mr. VINSON of Georgia. Mr. Chairman, I make a point of order.

Mr. LA GUARDIA. Mr. Chairman, I make a point of order.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order to the entire paragraph.

Mr. VINSON of Georgia. I desire, Mr. Chairman, to make a point of order to the language on page 22, commencing at line 7 and running down through line 11, including the words "per annum."

Mr. STAFFORD. I wish to make the point of order against the whole paragraph.

Mr. VINSON of Georgia. I make the point of order, Mr. Chairman, on the ground that it is legislation on an appropriation bill.

Mr. AYRES. I concede the point of order made by the gentleman from Georgia.

Mr. GOSS. I have another point of order, Mr. Chairman, on page 24, lines 12 to 25.

Mr. VINSON of Georgia. We can not consider but one point of order at a time. I make the point of order that it is legislation on an appropriation bill.

Mr. AYRES. I am willing to concede the point of order made by the gentleman from Georgia.

Mr. VINSON of Georgia. Mr. Chairman, I have another point of order. On page 24, line 9, after the last figures, which reads as follows:

And no part of such sum shall be available to pay active-duty pay and allowances to officers in excess of four on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards, as authorized by law, and except one retired officer of the line of the grade of rear admiral, who may be paid the full pay and allowances of such grade.

I make the point of order that that is legislation on an appropriation bill. I will reserve it, however, if the chairman of the subcommittee wishes.

Mr. AYRES. May I ask the gentleman from Georgia if he is making the point of order to the entire paragraph or only to the language in lines 14 and 15, beginning with the words "except that the grade of rear admiral," and so forth?

Mr. VINSON of Georgia. That is legislation on an appropriation bill.

Mr. AYRES. Is he making it especially to the language in lines 14 and 15?

Mr. VINSON of Georgia. The point of order is to the whole section, for the time being, but the language I specifically referred to is that beginning with the words in line 14 "except one retired officer of the line of the grade of rear admiral," and so forth. That is legislation on an appropriation bill.

Mr. LA GUARDIA. There is no question about that.

The CHAIRMAN. Does the gentleman direct his point of order to that language beginning in line 14?

Mr. VINSON of Georgia. I direct my point of order for the time being to the language from line 9 down to and including the word "grade" in line 16.

Mr. LA GUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LA GUARDIA. If the point of order raised by the gentleman from Georgia includes language that is not subject to the point of order, would that preclude us from making the point of order to language clearly out of order in line 14? The other is a limitation.

Mr. VINSON of Georgia. If any portion is out of order, the whole paragraph is out of order.

The CHAIRMAN. The Chair will endeavor to rule on the point of order as outlined by the gentleman from Georgia.

Mr. AYRES. Mr. Chairman, will the gentleman reserve the point of order?

Mr. VINSON of Georgia. Yes; I reserve the point of order.

Mr. AYRES. I want to explain why this paragraph is here. As to the point of order, I do not care to discuss it. This provision included in line 14 reading "and except one retired officer of the line of the grade of rear admiral" was for the sole purpose of making it possible for the retiring Chief of Naval Operations, Admiral Pratt, to be continued on active duty in an advisory capacity during the fiscal year 1934 in his permanent grade of rear admiral.

Mr. LA GUARDIA. The gentleman realizes that he is attempting to do here what the committee attempted to do for General Pershing, who commanded the United States Army in the greatest war of history.

Mr. AYRES. No, Mr. Chairman; there is no similarity in the two cases at all, in my judgment.

Mr. LA GUARDIA. Let him retire like every other officer, the same as we retired Dewey and every other officer.

Mr. AYRES. Admiral Pratt, so far as I know, and I think so far as the committee knows—and I say this in justice to him—was not aware of the fact that this action was being taken until after this committee put this provision in the bill.

Mr. LA GUARDIA. I so understand.

Mr. VINSON of Georgia. Mr. Chairman, I entertain for Admiral Pratt the same high esteem that the gentleman has, but I do think that it is a bad precedent at this time, and by making the point of order I do not wish it to be construed as casting any reflection on the distinguished services of Admiral Pratt. I think it will affect the morale of the whole organization adversely if favoritism of this kind is shown.

Mr. GOSS. I call the attention of the gentleman from Georgia [Mr. VINSON] to the words:

And no part of such sum shall be available to pay active duty pay and allowances to officers in excess of four on the retired list.

Contained in lines 9, 10, and 11, on page 24. If it is desirable to keep that much of it, I would say that that is not subject to the point of order, while the rest is.

Mr. VINSON of Georgia. I think the only part that should go out is in line 14.

Mr. GOSS. What about "except retired officers temporarily ordered to active duty"?

Mr. VINSON of Georgia. I am willing to limit my point of order, commencing in line 14, after the word "law" and extending down to line 16, to the proviso.

Mr. AYRES. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair is ready to rule. It is the opinion of the Chair that the point of order is well taken and he sustains the point of order.

Mr. GOSS. Mr. Chairman, I reserve the point of order on lines 12 to 14, page 24, to the word "except" for the purpose of finding out about this exception.

Mr. AYRES. Let me read from the law to the gentleman:

Boards for selection of staff officers for recommendation for advancement to the rank of rear admiral shall be composed of not less than three nor more than nine officers of the rank of rear admiral or commodore on the active or retired list of the staff corps concerned.

Mr. GOSS. I do not exactly understand what that means. What is the purpose of the exception?

Mr. AYRES. The purpose is to permit of the temporary employment of retired officers on active duty, as authorized by law, over and above the four in the text just preceding the language to which the gentleman addresses his inquiry.

Mr. GOSS. Therefore, no retired officer, if this language were omitted from the bill, could serve on these boards as the law contemplates.

Mr. AYRES. That is correct.

Mr. GOSS. And you are excepting them.

Mr. OLIVER of Alabama. The gentleman has failed to read all of the paragraph and for that reason has drawn an erroneous conclusion. This is intended to carry out the law which authorizes the Secretary of the Navy to select officers, on the active or the retired list, for temporary duty. That provision has been regularly carried for a number of years.

Mr. GOSS. But then you except.

Mr. OLIVER of Alabama. Officers not in excess of four on the retired list.

Mr. GOSS. Now, is that the same as is carried in the Army bill? Do you exempt four in the War Department bill?

Mr. OLIVER of Alabama. I do not understand there is any provision similar to this on the Army appropriation bill.

Mr. GOSS. Why should you make an exception of four officers here?

Mr. OLIVER of Alabama. There is a selection board provided for by law for the selection of naval officers in certain grades. As I understand, there is no board of that kind with reference to Army officers provided for by law.

Mr. MARTIN of Oregon. This is to select high-ranking naval officers. They want to get the most distinguished admirals in the Navy living.

Mr. OLIVER of Alabama. Yes. This law was passed years ago. There are some who feel it might be helpful if made applicable to the Army.

Mr. HILL of Alabama. In other words, these men who have retired and who no longer have any concern personally with reference to any promotion or place of preferment are better qualified to serve on this board than some officers who are still in the active service?

Mr. OLIVER of Alabama. That is one reason, and another reason was there was an insufficient number of active staff officers in the higher grades for this important detail.

Mr. GOSS. Mr. Chairman, in view of these statements, I will withdraw the reservation of the point of order.

Mr. LA GUARDIA. Further reserving the point of order, do I understand that the so-called Pratt amendment is out?

Mr. AYRES. That has been eliminated, I am sorry to say.

Mr. LA GUARDIA. Is the "dog robber" provision still in the bill—this last proviso?

Mr. AYRES. Which is that?

Mr. LA GUARDIA. The last proviso. We call it "dog robbers" or "strikers" in the Army.

Mr. AYRES. That remains in.

Mr. LA GUARDIA. Now will the gentleman accept an amendment, after the words "enlisted man," to insert "or civil employee," in line 22, so that it will read "allowances or other expenses of any enlisted man or civil employee, performing service in the residence or quarters of an officer," and so forth?

Mr. AYRES. Yes; I am perfectly willing to accept that.

Mr. LA GUARDIA. I think that should go in.

Mr. AYRES. I am willing to accept that amendment.

The CHAIRMAN. Does the gentleman from New York withdraw his point of order?

Mr. LA GUARDIA. The point of order is withdrawn, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, I withdraw my reservation of a point of order to the entire paragraph.

Mr. AYRES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. AYRES: Page 22, line 2, strike out "\$1,121,070" and insert in lieu thereof "\$1,289,770."

Mr. AYRES. I will state to the committee that that is made necessary on account of the point of order that was made.

The amendment was agreed to.

Mr. AYRES. Mr. Chairman, I ask unanimous consent, in view of what has occurred, that on line 25, page 24, the period be stricken out and a semicolon inserted.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LA GUARDIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LA GUARDIA: On page 24, line 22, after the word "man" insert "or civil employee."

Mr. LA GUARDIA. Mr. Chairman, the chairman of the subcommittee having accepted the amendment, I will not take time to discuss it.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. LA GUARDIA].

I have in my pocket an amendment that I had intended to offer, but it would not have been germane to this section, because it would have referred to other appropriation acts. I am going to serve notice that in the next Congress, on every appropriation bill I am going to try to get some kind of proviso that will keep civil-service employees working for the Government from taking outside work when they complete their days work. I understand now when they leave for the day some of them take positions as waiters, stenographers, elevator conductors, and what not. I say that in these times when we can not provide work for 12,000,000 people it is time that everybody should be satisfied with one job. I know of over 125,000 people in St. Louis who would be satisfied with any kind of work. This only applies to enlisted men and civilians working for officers. Until there is employment for all, we should try and keep the Government employees from working for the Government in the day and accepting outside employment at night. Of course, there are only a small percentage who do this, but we should stop it.

Mr. OLIVER of Alabama. Mr. Chairman, I rise in opposition to the amendment. I may say to the gentleman from Missouri that that custom does prevail in the Army, I understand, in reference to the enlisted personnel.

Mr. GOSS. What custom?

Mr. OLIVER of Alabama. The custom of employing enlisted men on free time to perform duties such as we are here prohibiting being performed by either enlisted men or by civilians when sought to be paid out of appropriations.

Mr. JAMES. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. JAMES. According to the language carried in the present bill, it would not prevent a naval officer from using a man to fix up his grass. I do not think an enlisted man, even if he is paid \$4 or \$5 a month by an Army officer, should be permitted to do this work.

Mr. OLIVER of Alabama. I have no definite knowledge whether this custom or practice obtains in the Navy but I simply want to call attention to the fact that what the gentleman from Missouri complained of is practiced in the Army, I am informed.

Mr. JAMES. It is not allowed by the language carried here.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. COCHRAN of Missouri. I do not care about the enlisted men of the Army and Navy. They receive a very small salary. What I am talking about is the civil-service employee here in the District of Columbia and around the country who quits work at half past 4 and starts to run an elevator in some apartment house at 5 o'clock, or take some other kind of work. I know this condition exists, and I do not approve of it. Many Government auditors audit accounts for private firms after their day with the Government ends.

Mr. OLIVER of Alabama. I may say to the gentleman from Missouri that I did not rise to discuss the merits of the proposal. I understood his objection was aimed not only at civilian employees on the civil-service list but also at the enlisted men in the Navy and Army services. I agree with the gentleman that the enlisted man who wants to do a little extra work around an Army post when off duty should probably not be prohibited from doing so if no form of compulsion is exerted.

Mr. JAMES. I do not agree with the gentleman. I think that even if an enlisted man in the Army does make \$5 or \$10 a month doing extra work mowing lawns, and so forth, he should be prohibited from doing it.

Mr. OLIVER of Alabama. As I say, that is now done in the Army.

Mr. JAMES. Under the proposed language it would be allowed in one service and not in the other.

Mr. OLIVER of Alabama. Both services should be treated alike. It is not right to apply restrictions to one service and not to the other. That is why I rose to state that it was being practiced in one service. I understood the gentleman from Missouri to aim his objection at the naval service. So, far as I know, the practice followed in the Army does not now obtain in the Navy.

Mr. JAMES. Both services should be treated alike. For the first time you are prohibiting the buying of dishes for the Navy. We do not furnish any dishes to generals of the Army.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I move to strike out the last word. I do this for the purpose of making a statement.

During the progress of the general debate I made a statement in reference to the inequalities in naval officers' pay growing out of constructive service and I referred to the amendment which I offered, and which was adopted by the House, on the Army appropriation bill, but which was stricken out in the Senate and is now in conference. I am not going to offer a similar amendment at this time at this place in the bill, because I hope the conferees on the Army bill may be able to work out something that will take care of the situation for all services. If they do not, I may say that I have the assurance of the chairman of the Committee on Naval Affairs and of the chairman of the Committee on Military Affairs that they will go into this situation thoroughly, hold full hearings on it, and try to bring in a bill which will correct the inequalities.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. VINSON of Georgia. I wish to corroborate the statement just made by the gentleman from New York with reference to the attitude of the chairman of the Committee on Naval Affairs and the attitude of the committee itself with reference to the amendment he offered, and which was adopted, on the military bill.

It is the desire of the Committee on Naval Affairs to go into this question very thoroughly at the next session of Congress.

May I also take this opportunity to state that it is also our desire to take up again with the Committee on Military Affairs the matter of flight pay for aviators and also the general question of naval and Army pay. These are matters that should be dealt with; hearings should be held. I know the committee is, indeed, grateful to the gentleman from New York for permitting this matter, in which he is vitally concerned, to take the course he has suggested.

Mr. TABER. Mr. Chairman, I am still in hopes the Army bill conferees will work out a solution of this problem, because I believe there is a decided abuse there. Every committee that has gone into the matter has found this to be the case. I hope we shall be able to correct it and protect the Government.

Mr. VINSON of Georgia. If the gentleman from New York will cooperate with the Committee on Naval Affairs along these lines during the next session, I am satisfied we can make substantial progress.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HILL of Alabama. Of course, if the conferees on the War Department bill should work out some solution such as the gentleman has in mind, the same provision ought to go in the naval bill, of course.

Mr. TABER. It is an item which would have to come back to the House in any event, because of the disagreement of the Senate. I have been in hopes they would work out language that might apply to the whole picture. If they do not, I hope the Committee on Military Affairs and the Committee on Naval Affairs will work it out at the next session after appropriate hearings; but the consideration should not be so protracted as to not be able to get legislative results, because I think it is a growing need.

Mr. HILL of Alabama. I am sure the Committee on Military Affairs will go into the matter and will endeavor to work it out. That committee will welcome all possible help from the gentleman from New York.

The pro forma amendment was withdrawn.

Mr. KVALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KVALE: Page 22, line 2, after the figures "\$1,121,070," strike out the language included within the parentheses up to and including the word "Navy," in line 6.

Mr. KVALE. Mr. Chairman, I offer this amendment to strike out the matter referred to for the reason that it affects directly the flight surgeons and their pay. An effort was made to persuade the committee that the restriction surrounding flight pay for flight surgeons should be eliminated in this current measure. We were unsuccessful. If this amendment is adopted and this language is stricken out, it will help remedy, to some extent, this situation, and will leave with the Secretary discretionary power.

May I respectfully refer the chairman of the subcommittee to the question he asked Admiral Moffett, as recorded on page 448 of the hearings. Mr. AYRES then said:

What is your view as to the restriction in the current appropriation act that none of the money should be used for increased pay for making aerial flights to nonflying officers or observers except eight officers above the grade of lieutenant commander, to be selected by the Secretary of the Navy?

To which Admiral Moffett replied:

I recommended last year that the proviso be left out. The law permitted 1 per cent of the total commissioned personnel to have flight orders, which allowed the Navy about 92 nonaviator flight orders. I will try to answer your question as directly as I can, but perhaps I had better give you a little background.

At the end of which he said:

I think the law as it stood was not being abused, and I think it was being used with discretion. I am in favor of some flight surgeons; I think they add to the safety of flying, and I think the aerologists add to the safety and efficiency of flying; but we have managed this last year without aerologists and flight surgeons and some specialists getting flight pay. They fly to some extent, and are still doing it. But I think, on the whole, that the restriction limits the Secretary to such an extent that it does interfere with efficiency.

In view of that, Mr. Chairman, can not the committee be persuaded to accept this amendment and strike this item out, and also in view of the fact that this entire question is going to be given a further overhauling in the next Congress?

Mr. AYRES. I can not agree to that, I will say to the gentleman from Minnesota [Mr. KVALE]. The committee's position with respect to this matter is indicated on pages 11 and 12 of the report.

Mr. KVALE. I have read it, but I can not subscribe to it.

Mr. AYRES. The committee would not be in favor of acceding to the suggestion of the gentleman from Minnesota. The report says:

The committee has continued the restriction in the current appropriation act upon nonflying officers or observers that might be given flying orders. This has operated to remove from flying pay status some 26 medical officers. There are three medical officers in the service at the present time who are qualified aviators and the restriction does not run against them, and they may be given flight orders at the discretion of the department; in fact, one has or had flight orders on the 1st instant. * * *

The committee is not in sympathy with giving flight orders to medical officers who are not qualified aviators. They should be so qualified, in the judgment of the committee, properly to study the effect of flying upon the human system. As a general proposition there should be no need for medical officers to have flight orders except for such study. An occasional flight on a medical errand would not justify continuous flight orders.

These views, the hearings will disclose, accord with the views of Admiral Moffett, chief of the Bureau of Aeronautics, and Captain Dennis, who appeared on behalf of the Medical Corps, that the only proper way to provide medical officers properly qualified to perform the service that the gentleman has in mind is to make aviators out of them—train them as pilots.

Mr. KVALE. I got quite the other impression—that they did not believe a flyer could be a doctor any more than a doctor should be a flyer.

Mr. AYRES. That is not the impression I got. Personally, I feel very strongly that a few of them should be qualified as pilots. Those who are not, as a general proposition, I should say, should not have flight orders.

Mr. KVALE. The testimony that appears on page 701 and subsequent pages does not, to my mind, bear out the gentleman's statement; and even though it did not persuade the committee, I still feel that is very persuasive testimony.

Mr. TABER. Will the gentleman yield?

Mr. AYRES. Yes.

Mr. TABER. It appears also in the hearings that there were at least three medical officers who were qualified aviators, and to whom this restriction does not apply; and while in the bill last year those who did not fly were limited to eight, only seven were being employed, and the department felt that if they needed medical officers they could have put in one more medical officer.

Mr. KVALE. Mr. Chairman, I still respectfully insist on my amendment, and I hope it may be supported. I hope this language can be stricken from the bill, and I refer again to the statement of Admiral Moffett that he tried to have that language stricken out last year. He sees no reason for it, and he thinks it handicaps the efficiency of the Navy.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. It is impossible to read merely parts of the hearings and understand what the full information before the committee on the subject in question was.

Admiral Moffett expressly stated, on page 451 of the hearings, that he did not require more than 12; and then, again, this question was asked by me of Captain Dennis when he was before the committee, "My attention has been called to the fact that Admiral Moffett in his statement felt there should be only 14, 6 of whom would be flight surgeons."

The committee gave what they felt was a very liberal allowance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. KVALE].

The question was taken; and on a division (demanded by Mr. KVALE) there were—ayes 10, nays 23.

So the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last three words.

I would like to ask the chairman of the subcommittee how it happens that in the Navy, the Chief of the Bureau of Navigation seems to control the Bureau of Aeronautics. As I read the hearings it appears that, apparently, there is not any independence in this bureau at all. It is a separate bureau, but it has to go to the Bureau of Navigation; and, as I understand it, there is no requirement that the Chief of the Bureau of Navigation should be a flier, and there is no such independence in the air service of the Navy, apparently, as there is in the Army; is this correct?

Mr. AYRES. No; I will say to the gentleman the Bureau of Navigation is simply a personnel bureau and does not have charge except as to matters of personnel and assignment.

Mr. BRIGGS. As I understood the hearings, the Chief of the Bureau of Aeronautics, Admiral Moffett, testified that whatever they want they have to present through the Chief of the Bureau of Navigation, and if he does not choose to carry forward the recommendations, the only recourse they have is the Secretary of the Navy.

Mr. AYRES. That is only with respect to personnel matters, I will again say to the gentleman.

Mr. BRIGGS. Does it have to do at all with pay and allowances and things of that kind?

Mr. AYRES. Not at all.

Mr. HOUSTON of Hawaii. Mr. Chairman, I rise in opposition to the pro forma amendment.

I rise merely for the purpose of saying that I am sure the services will appreciate the action taken by the gentleman from New York in not pressing for his particular amendment at this time.

I do want to say to the House that when the gentleman first proposed the amendment to the War Department appropriation bill he referred to a "racket" and, to-day, he refers to a matter of "abuse." I know that there has been no racket and that there is no abuse by the services.

When Congress passed the pay bill in 1922, unfortunately, it had to bring about an adjustment of the pay schedule of the various services. There were five services for which this so-called omnibus pay bill was provided, and they had to adjust and veer and haul; and this was a compromise, undoubtedly, when it was passed, and I am sure that when a hearing is held upon this matter the question can be adjusted to everyone's satisfaction. The last joint committee of Congress on this question said in 1931:

Piecemeal legislation and divided jurisdiction are largely responsible for many of the situations * * * needing adjustment.

They also said:

The problem of distribution in grade and promotion is basic to any satisfactory pay scheme. * * *

The pro forma amendment was withdrawn.

Mr. MARTIN of Oregon. Mr. Chairman, I ask unanimous consent to address the committee for five minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MARTIN of Oregon. Mr. Chairman, I was very much delighted just now to see that our distinguished friend from New York had dropped his child out of the Army appropriation bill.

This leads me to speak about another amendment in that bill that is more outrageous than this child that the gentleman has abandoned to-day. I refer to an amendment as to which I can not conceive the temper of the House in passing such a measure, limiting the pay of all retired officers to \$3,000 a year.

I can speak disinterestedly on this subject because you, in your wisdom, had the honor of taking all my retired pay away from me a year ago.

This latter amendment was a direct slap at four of the most distinguished officers we have, and I have asked for this time to speak for one of these officers, the distinguished gentleman, than whom I do not think there is a more typical American in our country, Gen. James G. Harbord. This great soldier's career is one that should be held up for emulation to every young man in this country. Instead of this, time after time on this floor, although he has no connection with this House, his name has been brought forward here in criticism and contempt.

Let us analyze some of the charges that are made against General Harbord. I had the honor of serving in the War Department when he was Chief of Staff and was serving there when he retired from the Army. He did not want to retire, but the Radio Corporation wanted to get a man to assemble the radio patents, and Mr. Young, a distinguished Democrat, went to Mr. Baker and asked him what he thought about Harbord. He said, "Harbord is just the man you want," and so Young engaged Baker, ex-Secretary of War and the ex-chief of Harbord, to go to him in his office by appointment and plead with him to accept this appointment on the ground that in the assembling of these radio patents giving us control of radio he was performing a greater service for the country than he could possibly render as Chief of Staff in times of peace.

The whole career of Harbord is one of distinguished public service.

A poor boy, the son of a small contractor, he had to work his way through college. He enlisted in the Regular Army, worked his way up to a commission, and from the start his services were always in demand.

He was in the Philippines 12 years, chief of staff of the constabulary, and when the Great War came on his standing was such that of all the officers in the Army General Pershing turned to him to make him Chief of Staff of the American Expeditionary Forces. He had a remarkable career in France as Chief of Staff, as commander of the Marine Division, as Chief of the Service of Supply.

Now, to belittle and demean the standing of such a great man on this floor, I think, is the very worst thing we can do.

Members come in here and get him connected up with the Morgans, and say that he is appointed at a salary of seventy-five thousand or a hundred thousand dollars a year.

As a matter of fact, the Morgans had nothing whatever to do with his appointment. The Radio Corporation position was taken at the solicitation of Mr. Young, at the instigation of ex-Secretary of War Baker.

Mr. SCHAFER. Will the gentleman yield?

Mr. MARTIN of Oregon. I yield.

Mr. SCHAFER. Is this Democrat, Mr. Young, whom the gentleman so eloquently referred to, the same Democrat Young who testified as an expert witness in defense of the loan to the Dawes bank by the Reconstruction Finance Corporation?

Mr. MARTIN of Oregon. Mr. Young is Owen D. Young; but if the gentleman expects me to blackmail any of these outstanding men, whether Democrats or Republicans, he is sadly mistaken. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

MAINTENANCE, BUREAU OF SUPPLIES AND ACCOUNTS

For equipage, supplies, and services under the cognizance of the Bureau of Supplies and Accounts, including stationery for commanding, executive, communication, and navigating officers of ships, boards and courts on ships, and chaplains; commissions, interest, and exchange; ferrage and bridge tolls, including street-car fares; rent of buildings and offices not in navy yards except for use of naval attachés and recruiting officer; accident prevention; services of civilian employees under the cognizance of the Bureau of Supplies and Accounts; freight, express, and parcel-post charges, including transportation of funds and cost of insurance on shipments of money when necessary, and ice for cooling drinking water on shore (except at naval hospitals and shops at industrial navy yards), pertaining to the Navy Department and Naval Establishment, \$8,982,683: *Provided*, That no part of this or

any other appropriation contained in this act shall be available for or on account of the supply or replacement of table linen, dishes, glassware, silverware, and/or kitchen utensils for use in the residences or quarters of officers on shore: *Provided further*, That no appropriation contained in this act shall be available for any expense for or incident to the transportation of privately owned automobiles except on account of the return to the United States of such privately owned automobiles as may have been transported to points outside of the continental limits of the United States at public expense prior to July 1, 1932: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$4,925,000: *Provided further*, That, without deposit to the credit of the Treasurer of the United States and withdrawal on money requisitions, receipts of public moneys from sales or other sources by officers of the Navy and Marine Corps on disbursing duty and charged in their official accounts may be used by them as required for current expenditures, all necessary bookkeeping adjustments of appropriations, funds, and accounts to be made in the settlement of their disbursing accounts.

Mr. AYRES. Mr. Chairman, I ask unanimous consent that the Clerk may be permitted to correct the spelling of the word "privately" in line 20, page 29.

There was no objection.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Kansas what character of services are involved in the proviso at the top of page 30?

Mr. AYRES. Those are employees in the supply and accounting departments at navy yards, naval stations, and supply depots.

Mr. STAFFORD. And it costs \$5,000,000 for services of that limited department and its activities. While I am on my feet, I note in reading the report that the committee has withdrawn large sums of money from various sources. To what extent has the committee resorted to surplus supplies in order to tide over the emergency this year?

Mr. AYRES. We have not done anything in that respect.

Mr. STAFFORD. The gentleman's committee did not follow the policy of the War Department subcommittee in drawing on the reserve stocks to be made available for present use.

Mr. AYRES. There are certain stores that they are free to use—stores of many kinds that are carried in what is termed "appropriation purchases account."

Mr. STAFFORD. The war appropriation subcommittee made a draft on stores that the War Department had set aside for equipment of two armies. The naval subcommittee made no provision for that character of withdrawal and did not invade the stores for reserves?

Mr. AYRES. The War Department subcommittee, I am informed, did shape the War Department appropriation bill, as to articles of the uniform, upon the idea that there might be a greater utilization of stocks on hand; but the Navy does not have large stores of clothing as they have in the Army.

Mr. STAFFORD. Then the gentleman states that the committee has not adopted the policy of invading necessary supplies, as an emergency measure, so as to make a showing of reduction in the appropriations.

Mr. AYRES. We have not.

Mr. VINSON of Georgia. Mr. Chairman, I move to strike out the last word. I call the attention of the gentleman to the last proviso, on page 28, and ask the gentleman whether he does not think that requiring service aboard a vessel in full commission for nine months might not work an injustice. It might happen that some of these enlisted men who desire to go to the Naval Academy by standing a competitive examination have not had the opportunity of serving nine months on a ship in full commission. It occurs to me that the provision ought to be simply serving nine months aboard a ship.

Mr. AYRES. The department has made no objection to that provision, and it seems to be working all right.

Mr. VINSON of Georgia. That may be true, but would it not be a hardship on some one who desires to take advantage of the law and stand a competitive examination, to require him to serve nine months on a vessel in full com-

mission? The point is that there are a great many ships that are not in full commission, and a boy may serve on a ship not in full commission and therefore he could not go to the academy.

Mr. AYRES. I assume it is working satisfactorily. We have had no complaint.

Mr. STAFFORD. Was not the purpose of that provision to do away with the malpractice of the Navy Department in appointing persons to the Naval Academy who had not seen any real service in the Navy, in order to give the man who had seen service an opportunity to enter the Naval Academy?

Mr. AYRES. Yes.

Mr. VINSON of Georgia. But the gentleman loses sight of the fact that under this provision he has to serve on a ship that has been in full commission for nine months, and if it has not been in full commission for nine months he could not go to the academy.

Mr. STAFFORD. Oh, he should be compelled to serve on a ship so that he would know something about a ship before he endeavors to train himself for sea service.

The Clerk read as follows:

PUBLIC WORKS, BUREAU OF YARDS AND DOCKS

To enable the Secretary of the Navy to complete or continue the construction, by contract or otherwise, of the public works and public-utilities projects for which appropriations were made in the naval appropriation acts for the fiscal years 1932 and 1933 and within the limits of cost applicable to such projects, \$1,946,950, of which not to exceed \$85,000 shall be available for the employment of classified personal services in the Bureau of Yards and Docks and in the field service to be engaged upon such work and to be in addition to employees otherwise provided for.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. What is the purpose of these public-utility projects? Is the Government going into the power business? I refer to the words in line 10, page 36.

Mr. AYRES. They are telephone lines, steam and power lines, and things of that kind in navy yards.

Mr. MARTIN of Oregon. They have all those things in the navy yard. They have their central heating plant and their electric light plant and all the utilities of a city.

Mr. GOSS. It could not possibly be construed to permit of going ahead with the operation of Muscle Shoals, could it?

Mr. AYRES. Hardly.

Mr. HILL of Alabama. The gentleman from Connecticut is on the Committee on Military Affairs. It is the same proposition that we carry for our Army posts.

Mr. GOSS. There are no such things in the Army appropriation bill.

Mr. HILL of Alabama. Oh, yes; we provide transmission lines and that sort of thing on these new posts, and you have to maintain them in the old posts.

Mr. GOSS. That comes under the engineers.

Mr. HILL of Alabama. Yes. All of the Army posts have their own utilities.

Mr. GOSS. This is under the title "Public Works, Bureau of Yards and Docks."

Mr. MARTIN of Oregon. That is the same thing as the Engineer Corps of the Army.

Mr. GOSS. Can the gentleman tell us what some of that construction is that is going on at the present time?

Mr. AYRES. If the gentleman will turn to page 612 of the hearings he will find a complete enumeration of work under way and projects.

Mr. STAFFORD. Of course I am quite certain that the War Department appropriation bill does not contain any item whatsoever designated as public-utility projects.

Mr. GOSS. I never saw any such item.

Mr. AYRES. They may use different terminology. We have provided for such projects at Army posts.

The Clerk read as follows:

BUREAU OF AERONAUTICS AVIATION, NAVY

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1933, \$971,000; for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet and all other aviation activities,

accident prevention, testing laboratories, for overhauling of planes, and for the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, \$12,682,659, including \$138,500 for the equipment of vessels with catapults and including not to exceed \$100,000 for the procurement of helium, and such sum shall be transferred to and made available to the Bureau of Mines on July 1, 1933, and the bureau may lease, after competition, surplus metal cylinders acquired for use as helium containers; for continuing experiments and development work on all types of aircraft, including the payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicians as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed, \$2,188,800; for new construction and procurement of aircraft and equipment, spare parts and accessories, \$6,115,000, of which amount not to exceed \$5,715,000 shall be available for the payment of obligations incurred under the contract authorization carried in the Navy appropriation act for the fiscal year 1933; in all, \$21,957,459; and the money herein specifically appropriated for "Aviation" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That the sum to be paid out of this appropriation for employees assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$1,221,575: *Provided further*, That in addition to the amount herein appropriated, the Secretary of the Navy may, prior to July 1, 1935, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of \$8,100,000: *Provided further*, That the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to transfer not to exceed \$24,000 from this appropriation to the appropriation "Pay, subsistence, and transportation, Navy" to cover authorized traveling expenses of officers and enlisted men in connection with flying new airplanes from contractor's works to assigned station or ship, including travel to contractor's works and return of personnel to station of duty, and the amount so transferred shall be in addition to any limitations contained in the appropriation "Pay, subsistence, and transportation, Navy": *Provided further*, That no part of this appropriation shall be expended for maintenance of more than six heavier-than-air stations on the coast of the continental United States: *Provided further*, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes: *Provided further*, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft, where such claim does not exceed the sum of \$500.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 37, line 8, after the figures "1933," insert "In addition to which sum the Bureau of Mines may use for helium-plant operation in the fiscal year 1934 the unexpended balance of funds transferred to it for such operation in the fiscal year 1933."

Mr. GOSS. On that I reserve the point of order.

Mr. JONES. Mr. Chairman, I hope the committee will give serious consideration to agreeing to this amendment, as I believe the facts will disclose that it will be better and more economical for the Government if it is agreed to. There are certain necessary costs in the production of helium. The Budget estimated \$185,000. The committee has cut that to \$100,000. After they produce a certain amount of helium, then the net return from the sale of gas, after the helium is extracted, more than pays the additional cost of the helium. This net sum is practically all returned to the Treasury of the United States. After these fixed costs which must be paid in any event, the additional helium that this amount would allow would cost only about \$1.50 per thousand additional, while the return from the additional gas that is used in that helium production would be \$2.70. So that there would be a net income to the Government on the helium that would be made above a definite amount.

Then there is this further difficulty in this unusual reduction. The Government has contracts for the sale of the gas for commercial use after the helium is extracted. It will be necessary, with the amount of appropriation made here, to run just part time. That makes it difficult to maintain the sale of these gases. They must be continuous in their operation to be able to sell them. The officials of the Bureau of Mines inform me it would be less cost to the

Government to have this small increase for operative expenses.

Mr. GOSS. Will the gentleman yield?

Mr. JONES. Yes. I yield.

Mr. GOSS. Do we operate a helium plant now?

Mr. JONES. We operate a helium plant now.

Mr. GOSS. What does it mean then "not to exceed \$100,000 for the procurement of helium"?

Mr. JONES. The plant is operated by the Bureau of Mines, and the helium is then sold to the Navy and the Army. There is very little used by the Army.

Mr. GOSS. I know it is mostly all used by the Navy.

Mr. JONES. This is simply to make this available so that the plant may have continuous operation, as nearly as possible. Even so, it will be \$42,000 below the Budget recommendation, and will necessitate making certain furloughs. However, they can then operate, in a way, and maintain their contracts for the disposal of the residue gas. The net return from this extra amount will more than cover the amount that is expended, and will thus be an economy. I hope the committee will see fit to accept the amendment.

Mr. COYLE. Will the gentleman yield?

Mr. JONES. I yield.

Mr. COYLE. With reference to that operation, if they are forced to discontinue the helium extraction, it is necessary to let the gas containing the helium still go into commercial use?

Mr. JONES. If they maintain these contracts; yes. In fact, it is necessary with part of them, for the maintenance of the lease contracts. Otherwise their lease contracts on several thousand acres might be forfeited. They would have to let the gas go on and the helium would be wasted through the burning of the gas.

Mr. COYLE. The helium can be conserved for the future, after it has once been extracted and stored?

Mr. JONES. Oh, yes. It can be conserved indefinitely.

Mr. COYLE. In view of the scarcity of the helium and the fact that we can never reclaim it after it has gone away from the plant in the gas, it would be exceedingly advisable to work the full output of that operation for the extraction of the helium.

Mr. JONES. I think that is correct. The Government has a large investment in this plant and in land and leases. It is the largest reserve supply of helium known in the world. We have in these reserves values beyond measure, and a monopoly on an element that other nations would give much to possess.

The plant is extracting helium at the lowest cost in history. It has a fine working force that is loyal to the Government and tremendously interested in the further perfecting of the processes. It seems unthinkable to jeopardize the operations and handicap the efficiency of a plant that has such a fine record of service. I hope the amendment will be agreed to.

Mr. GOSS. Mr. Chairman, I have not yet been convinced that I should not make the point of order. Therefore I make the point of order on the ground that it is not germane to the bill and that it is legislation on an appropriation bill.

Mr. LANHAM. Will the gentleman reserve the point of order until I can make a short statement?

Mr. GOSS. Yes. Certainly.

Mr. LANHAM. Mr. Chairman, this is a most important amendment, and I trust the members of the committee will give very serious consideration to it. Those who have served for some time in this body are aware of the fact that I have been interested in the helium project and have kept pace with its progress from its very inception. No helium is now produced in the district I represent, and certainly no selfish motive can be ascribed to me in favoring this amendment.

Our country is providentially favored in the possession of helium. Other nations have expended great sums of money in searching for it throughout their domains, and they have searched in vain, except for very small quantities which have been commercially and practically unprofitable. This appropriation bill provides \$100,000 for the operation of the

helium plant. The Army appropriation bill provides \$17,000, making a total of \$117,000. The very least sum for which that plant can be operated without very serious injury to this entire project is \$142,000. The appropriation for this purpose last year was \$184,000. It is estimated that of that amount, by reason of the sale of residue gas at the plant, perhaps \$25,000 will remain unexpended. The purpose of this amendment is simply to add that \$25,000 which was saved last year to the \$117,000 provided in these two bills in order to make the minimum amount upon which this plant can properly operate.

Mr. STAFFORD. Will the gentleman yield in that particular?

Mr. LANHAM. Yes.

Mr. STAFFORD. The difficulty I have is one of relevancy. The War Department appropriation bill carries a provision for the maintenance and operation of the plant. This bill makes no provision for the operation of the plant, but it only makes provision for the purchase of helium.

Mr. LANHAM. No. The procurement of helium. Procurement is production of helium.

Mr. STAFFORD. You are seeking to change an item in the War Department appropriation bill, which you claim is inadequate for the purpose needed.

Mr. LANHAM. No, no. We are not. Of course, the Navy is the principal user of helium gas, because these lighter-than-air dirigibles are more effective as Navy instruments than they are for military forces.

All we are seeking to do here is to let the unexpended balance of last year's appropriation be added to the amount now available in order that we may have the minimum amount upon which this plant may operate.

Mr. VINSON of Georgia. How much is that?

Mr. LANHAM. One hundred and forty-two thousand dollars; \$25,000 comes over from last year.

Mr. GOSS. Does the gentleman know how much of this gas is needed?

Mr. LANHAM. I can not tell exactly except that the Bureau of Mines says it is very much needed.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. AYRES. The Bureau of Mines never appeared before our committee and said it was very much needed, nor did the Navy representatives bring us any such message. As a matter of fact, I may say to the gentleman from Texas, it is not needed, and I shall be very glad to give him the figures.

Mr. GOSS. What are the figures?

Mr. LANHAM. On inquiry of the Bureau of Mines, I was advised, and advised very definitely and in detail, that \$142,000 a year is the least upon which they can operate. Now, they have some leased fields. They must operate these leases, and they can not do it unless their plant is in operation. In addition to that, if you do not provide for full-year operation of this plant, they will be unable to distribute the surplus gas. After the helium is extracted from the gas, the gas is commercially more profitable than it was before. Having no use for the gas from which the helium has been extracted, the Government places it at the disposal of commercial industry in that section and sells it. After you get beyond this point of \$142,000, the minimum amount required for the operation of the plant, the sale of that residue gas brings in more than it costs to produce the helium.

So, certainly, our country having taken the lead, our country having been providentially favored, other nations having looked in vain and having spent large sums in an effort to get this most valuable asset, surely we are not going to be penny wise and pound foolish by crippling this project to which we may point with pride and which is a wonderful agency for our national security, both in time of peace and in time of war.

Mr. AYRES. I may say to the gentleman from Texas that at the time of the hearings there were 12,000,000 cubic feet of helium in storage. In the *Akron* we have 6,500,000 cubic feet. That makes a total of 18,500,000 cubic feet. We are buying helium at the rate of 1,400,000 cubic feet per month. For the four months ending next June 30, we will have pur-

chased 5,600,000 cubic feet, making a total of 24,100,000 cubic feet. Out of this total there will be needed for the *Macon*, 6,500,000 cubic feet, leaving 17,600,000 cubic feet; and wastage is estimated at 12,000,000 cubic feet, leaving a balance, or rather an amount in storage, of 5,600,000 cubic feet at the end of the next fiscal year, exclusive of any that may be purchased during such fiscal year. It would seem obvious, therefore, that the appropriation we are proposing is more than sufficient to supply next year's helium requirements. At no time was any member of the Bureau of Mines before our committee.

Mr. LANHAM. I presume the Bureau of Mines supposed the amount recommended by the Budget would be granted, because they operated on that last year.

Let me call the gentleman's attention to the fact that the 16,000,000 cubic feet which he anticipates will be produced can not be produced unless the plant can be kept in operation; and it is for this reason we are favoring this amendment.

Mr. AYRES. The appropriation we are proposing is adequate, in my judgment.

Mr. LANHAM. I may say to the gentleman from Kansas that a reserve of 5,000,000 cubic feet is not very much. Besides, the surplus helium is not lost. It is highly important that the plant be maintained, because if it is not maintained our whole project stops. We are giving what is relatively a pittance in the way of appropriations, when we give them the \$142,000 actually needed to keep the plant in operation.

Let me remind the gentleman that when the United States started out on this project it cost \$1,500 a cubic foot to extract helium, but now we extract it for about a cent and a half a cubic foot. It is peculiarly an American accomplishment. We seem to have been providentially blessed with this resource for our protection in time of war and for commercial pursuits in time of peace. It seems to me we would indeed be penurious did we fail to provide the small amount of funds needed.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. LaGUARDIA. Does the gentleman contend that if the amendment is not adopted it would retard or hamper the current production of helium gas?

Mr. LANHAM. Oh, I certainly do. I think there is absolutely no doubt of it.

Mr. LaGUARDIA. It becomes very important if that be so. I do not know.

Mr. LANHAM. In my judgment, there is no doubt about it. We have got to operate these leased fields. If we do not get sufficient funds, then in order to operate the plant we have got to sell some of this gas containing helium without taking the helium from it, and the very purpose of the whole project is not only to supply current demands but to have a reserve for time of emergency.

Mr. LaGUARDIA. Is there any loss of the gas when held in storage? The gentleman says we have a reserve. Is there constant leakage from the reserve?

Mr. LANHAM. There is not; no.

Mr. GOSS. Oh, no.

Mr. LANHAM. The leakage of the gas, of course, is only in the operation of the ships, and this leakage has been reduced very considerably through the progress they have made in the fabrics, but any additional amount that we may have on hand, we may still use. It is not lost, and the operation of this plant must be carried on or this most important industry to this country is imperiled. And think, gentlemen, what a small sum we are appropriating, even by giving this \$25,000 that is left over from last year, in proportion to the large sums that nations abroad have spent in a vain effort to duplicate our fortunate situation.

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Connecticut [Mr. Goss] insist on his point of order?

Mr. GOSS. Yes; that it is not germane. The bill provides "\$100,000 for the procurement of helium, and such

sum shall be transferred to and made available to the Bureau of Mines on July 1, 1933."

Surely, this ought to have been brought up in connection with the War Department or the Bureau of Mines when that service was before the committee.

Mr. LANHAM. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. LANHAM. I may say that I suppose the Bureau of Mines, naturally, anticipated that their appropriation would not be cut. If they had been notified of the fact that the \$185,000 for which they asked would not be granted, they would certainly have been present and even by passing this amendment, we are still leaving them more than \$40,000 short of what was recommended by the Budget.

Mr. JONES. Mr. Chairman, I do not see any reason in the world why this amendment is not in order. The helium act of 1927 authorized the establishment and maintenance not only of a helium plant and the operation of the plant, but authorized plants, if necessary. Also under the economy act, as I understand, there is further provision for transfers. The amendment simply makes available what has already been appropriated heretofore for the carrying out of a project which is authorized under existing law. I do not have the act before me, but that is as clear as can be, because the main item itself could not be here except for such a provision.

The CHAIRMAN (Mr. DOXEY). The Chair is ready to rule.

In the opinion of the Chair, the act of March 3, 1927, authorizes the appropriation. The amendment offered to this particular portion of the bill simply recommends a reappropriation of money and therefore in the opinion of the Chair the amendment is germane and is in order.

The Chair overrules the point of order.

The question is on the amendment of the gentleman from Texas [Mr. JONES].

The question was taken; and on a division (demanded by Mr. AYRES) there were—ayes 25, noes 23.

So the amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I move to strike out the last word.

I would like to have the attention of the chairman of the committee, the gentleman from Kansas. On page 39, line 1, we find a proviso, and I take it the chairman of the committee will concede that this is legislation on this bill.

Mr. AYRES. Certainly.

Mr. HILL of Alabama. Has it been carried in prior appropriation bills?

Mr. AYRES. It has been carried for several years.

Mr. HILL of Alabama. Can the gentleman tell us how much was paid out under a similar provision in last year's appropriation bill?

Mr. AYRES. No; I will say to the gentleman that I can not, but my understanding is that the amounts annually spent are very insignificant.

Mr. HILL of Alabama. Let me say to the gentleman that I can see very good reason for this provision being in the bill. However, I think a bill embodying the purposes of the provision ought to be introduced and acted on by the legislative committee, of which the gentleman from Georgia [Mr. VINSON] is chairman, and that bill passed and enacted into substantive law.

Mr. AYRES. May I interrupt the gentleman?

Mr. HILL of Alabama. Yes.

Mr. AYRES. Suppose we let it stay in this bill now and then—

Mr. HILL of Alabama. I have not made any motion to strike it out. I could have made a point of order on the language.

Mr. AYRES. I appreciate that fact.

Mr. HILL of Alabama. Realizing there is good reason for the provision I did not make a point of order against it. However, let me suggest to the gentleman that several years ago there were a number of provisions such as this carried in the War Department appropriation bill, all of them being

legislation on an appropriation bill and all of them being subject to a point of order. The War Department went through the War Department appropriation bill, put these different provisions into bills, had these bills sent up here, and they were introduced, sent to the Committee on Military Affairs, and enacted into law, removing any possibility of any such provision in an appropriation bill being stricken out on a point of order. This is really the orderly way, the way prescribed by the rules of the House, and the way it ought to be done.

Mr. AYRES. We are perfectly willing to have that done, although I may say to the gentleman that a similar provision is carried in the War Department appropriation bill with a \$250 limitation.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the pro forma amendment.

If my good friend from Alabama had followed the Private Calendar one-hundredth as closely as I have in my 20 years of service, he would not in anywise criticize the policy of delegating to the department the determination of the amount of damages that should be paid arising out of injury to land and the like by reason of aircraft mishaps.

I am not only in favor of delegating to the departments the authority to settle claims up to the amount of \$500; I am in favor of going to \$3,000, and I predicate this statement on the legislative policy adopted with respect to claims for damages arising in the District of Columbia, where we have authorized the District Commissioners to settle claims arising out of tort actions to the extent of \$5,000, and this authority has not been abused.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. HILL of Alabama. I want to say that I agree thoroughly with what the gentleman says, but my complaint is not so much against the granting of authority to the Secretary of the Navy as in carrying the provision in an appropriation bill instead of having it come from the regular legislative committee.

Mr. STAFFORD. If the legislative committee has been laggard in its duty, it is not a proper criticism to lodge against the Appropriations Committee. I claim that the legislative committee has been laggard in its work, because there should be some general legislation authorizing the department to settle claims that accrue from time to time by reason of airplanes alighting on the land, causing more or less damage to property.

Why should Congress be concerned with these little petty claims? Look at the Private Calendar. I was going over some 25 bills to-day, and there are claims amounting to \$25, many less than a hundred dollars. Why should we be concerned with these measly little claims when they should be settled by the department? We want to be relieved of this distasteful and most disagreeable work. [Applause.]

Mr. COYLE. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. COYLE. Does the gentleman feel that the legislative Naval Committee has been particularly derelict in this matter?

Mr. STAFFORD. All of the committees, the Committee on Expenditures in the Department, especially, because it is under their jurisdiction, and they come here and report little measly claims instead of bringing in an omnibus legislative bill that would relieve Congress of their consideration.

I have made many suggestions for remedial relief. I remember the late James R. Mann, that great parliamentary leader, to whom I referred this morning, saying to me once in private conversation that he was sometime going to rewrite the rules of the House of Representatives—that perhaps he was the only one that could rewrite them.

I regret his untimely passing, as he knew more parliamentary procedure than any that I have known. He knew the philosophy of the rules. I, together with every other friend, was sorry that he stayed in this climate against the advice of his physician, and was stricken down because he remained at his public post rather than go to a climate where the climate was more equable and would not be so

hard on his system. He stayed here until he died of pleuropneumonia.

Now, I will come back to the real question.

Mr. McCORMACK. The gentleman alluded to the delegating of power to the post office. I want to say that they delegated authority to settle claims there up to \$500.

Mr. STAFFORD. The gentleman is correct as far as the Post Office Department is concerned. We should be relieved of this drudgery, because you will find that when a man has a demand of a thousand or two thousand dollars, if the department had the authority they could settle, but when he comes to Congress he comes in and demands \$5,000, and these easy-worked committees report the bill giving him \$5,000.

Now, I want to get back to the consideration of the question before the House; that is, the amount of money that we are voting for aircraft. For a long time I have been of the opinion that if there is one activity of the War and Navy Departments that could be merged, this activity relating to aircraft is that one. We have duplicating services, one in the Navy, one in the Army, another in the Marine Corps, and still others in other agencies. I read the report on this bill and learned the Navy Department is spending more than a million dollars for experimental purposes along the line of advance in aircraft. Am I correct?

Mr. AYRES. Yes.

Mr. STAFFORD. We are spending a large sum of money at McCook Field in Dayton, Ohio, for similar activity. That is duplication. We are voting to the Smithsonian Institution for similar work, \$800,000, last year \$1,000,000. I tried to cut it down last year, but was met with no support upon the part of the committee. Why? Because the chairman of the committee having the bill in charge said, "Stand back of the committee"; and the House, under the bellwether leadership of the chairmen of the subcommittees, stand back of the committee no matter what the merits of the proposal may be. I ask the gentleman from Kansas whether in his opinion, after his study of this subject, there could not be a real saving by merging these activities under one head, particularly the experimental part?

Mr. AYRES. I rather think there could be.

Mr. STAFFORD. About 15 years ago I had the privilege of serving on the War Department Appropriations Committee. On my return here four years ago the triumvirate leaders who were controlling the Republican organization of this House, threw me into the discard on the important legislative committee known as the Committee on Military Affairs.

I have enjoyed my service upon that committee, particularly the fellowship which has been of rare order. At that time I was of opinion, from my close study of war activities, that if there was one scientific activity that could be merged it was that of aircraft. Why should the Navy have its large force in south Philadelphia and the Army have its force at McCook Field, and the Smithsonian over here, and the Marine Corps down at Quantico, all pursuing similar investigational work? If there is any activity that I expect my good friend and former House leader, Mr. Swager Sherley, former chairman of the Committee on Appropriations, who has been delegated by the President elect to determine the policy of merging, it is right here in this aircraft matter.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FITZPATRICK. Under the amendment to the Treasury-Post Office appropriation bill the other day, giving the President certain powers, can he not do that?

Mr. STAFFORD. I just referred to the fact that the President elect has selected Mr. Sherley, former chairman of the Committee on Appropriations from January 1, 1918, when the gentleman's distinguished predecessor Mr. Fitzgerald retired, until the close of the Wilson administration, to look into that very matter. Mr. Sherley has been deputed for the service I refer to.

(Mr. STAFFORD's time at this point having expired, he was granted two minutes more by unanimous consent.)

Mr. STAFFORD. I have another inquiry. What is the purpose of limiting the appropriation for the maintenance of six heavier-than-air stations on the coast of Continental United States? Where are they located? I suppose they are now in existence.

Mr. AYRES. They are in existence at this time, 1 at Boston, 1 at New York, 1 at Norfolk, 1 at Pensacola, 1 at Washington.

Mr. STAFFORD. Again we have an instance cited where there could be a saving, because the Army is maintaining airports at virtually these same places, and here again we have duplication, duplication, duplication, between these two services. Because I knew there was duplication is the justification for my vote in the last Congress in support of the proposal of the chairman of the Committee on Appropriations for the merger of these two departments. I knew it would result in a saving of millions and millions of dollars to the taxpayers.

Mr. HOWARD. Mr. Chairman, I rise to a point of order. In the interest of harmony I make the point of order against the entire paragraph.

Mr. STAFFORD. Mr. Chairman, I can not yield for that purpose. There is no merit in the point of order at all.

The CHAIRMAN. The point of order comes too late. The time of the gentleman from Wisconsin has expired.

Mr. HOWARD. Do I understand, Mr. Chairman, that it is out of order to make a point of order immediately after the gentleman from Wisconsin has spoken?

The CHAIRMAN. There has been debate on the paragraph and the point of order comes too late.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words, and ask the attention of my friend from Wisconsin [Mr. STAFFORD], because I am very much interested in what he has had to say. I think he might be interested in some information that I have in my possession which relates to the subject of overlapping and duplicating activities. I voted against the merger of the Army and the Navy Departments last year because I felt that it might be dangerous to national defense to create one department, upon the theory that if the head of the merged departments should happen to be a Navy man, naturally he would be influenced by his training and background, and it might have some adverse effect on our Army policy.

Likewise, if a man was an Army man, with an Army training and Army background, he would be more or less the product of his environment and influenced thereby, the same as we all are. However, I felt the committee was entirely warranted in trying to prevent overlapping and duplications. After the action of last year I followed that question very closely. I took it up with the departments to see whether or not within the departments they could do something to try to eliminate overlapping and duplications.

I have received information quite recently that the Army and Navy and Marine Corps are engaged in a study of overlapping and duplicating activities in all matters not affecting the fighting efficiency of the service, with the idea of discovering any additional economies which can be effected through further cooperation and coordination. It is expected that material savings to the Government will result from these investigations, made voluntarily by the three services, without interfering in any way with the individual combat missions of the services concerned. I also understand that subcommittees of the House Committee on Naval Affairs and the House Committee on Military Affairs have been appointed to consider this same question, in cooperation with committees formed in the three services we are discussing. I also understand that there have been 27 subcommittees of the three services, the Army, the Navy, and the Marine Corps, appointed to study this question and to see wherein the three departments can bring about the elimination of overlapping and duplicating activities. I feel that such information will interest the gentleman from Wisconsin [Mr. STAFFORD] the same as it interested me.

Mr. STAFFORD. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. STAFFORD. What are the results of their investigations and studies? After the war we had in use by the Army a large proving ground that was established during the war, down at Aberdeen, 30 miles of shore front, established at an expense of millions and millions of dollars. The Navy, in order to vie with the Army, established another large proving ground on the Potomac, spending millions of dollars without any regard to the taxpayers of the country.

Mr. McCORMACK. I fully agree with the gentleman with reference to eliminating overlapping or unnecessary activities. In view of what the gentleman so well said, I wanted to incorporate in the RECORD the fact that there is an intensive study going on by the three departments, in conjunction with House committees. I see the chairman of the legislative Committee on Naval Affairs present, and I ask him whether my information is correct?

Mr. VINSON of Georgia. The gentleman is correct. We are making an investigation with subcommittees from both the Naval and Military Affairs Committees to see if we can prevent overlapping and duplication of service.

Mr. McCORMACK. Which will mean the saving of a substantial amount of money.

Mr. VINSON of Georgia. I can not say about that until the committees have reported.

Mr. MARTIN of Oregon. I think if the gentleman will leave out the word "substantial," he will probably be correct in his statement. The savings is simply going to be chicken feed, because the naval aviator has a different training from the Army aviator. Each service is distinct and separate. There is an auxiliary force for each service, and they can not be combined.

Mr. McCORMACK. The information I have received is that they are determined to make a real investigation for the Army, Navy, and Marine Corps, and if they do, they can make real savings. I am a big-navy and a big-army man, but there is no necessity of duplication and overlapping. I do not stand for that and neither should anyone else. They can save a substantial sum of money without impairing the efficiency of the service, if they wanted to. [Applause.]

[Here the gavel fell.]

Mr. AYRES. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. SCHAFER. Mr. Chairman, I object.

Mr. AYRES. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. LaGUARDIA. Mr. Chairman, I ask for recognition.

I want to say, Mr. Chairman, now that the subject has come up, I fear the gentleman from Massachusetts [Mr. McCORMACK] places too much faith and confidence in any study of coordination which might be undertaken by either the naval or military authorities. It just will not be done that way. It will not be done as long as the matter is left in their hands. The only way we can bring about elimination of duplication and overlapping and waste in expenditures in the military and naval forces is for the Congress to establish a department of national defense combining all water and land forces. Unless Congress does act, Congress will be waiting for the next 40 or 50 years for reports from committees of the Army and the Navy. I do not mean committees of the House. I mean military and naval committees. It simply will not be done.

Now, we started on a united Air Service immediately after the World War. All we ever got out of it was the court-martial of a gallant officer of the United States Army. That is all we got out of it. The Navy was not fair about it, and the Army was not fair. The Congress never got all of the facts. All we got out of it was the 5-year building program costing millions of dollars; we never did get our money's

worth. I do not care what anybody says, there is no reason why we can not have a united Air Service, thereby increasing the efficiency in the Air Service by about 50 per cent and decreased appropriations of at least 20 per cent.

The gentleman from Connecticut says, "Who will be the commander?" I do not care whether he is an admiral or a general in the Army, as long as he knows how to fly and is a real commander. The preliminary training is exactly alike. The Navy has amphibian planes; the Army has amphibian planes. The Army has seaplanes and the Navy has landplanes. The motors are exactly alike. Construction is alike. The art of flying is exactly the same. It makes no difference whether one flies over land or over water, whether one lands on a field or on the deck of a carrier.

Mr. HERR. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. HERR. May I inquire, just as a matter of information, is the training of the Army and the Navy aviator similar?

Mr. LaGUARDIA. The preliminary training is similar.

Mr. HERR. But is all of the training similar?

Mr. LaGUARDIA. The preliminary training is exactly alike. It can not be different. Of course, tactical training is different, but what difference does that make?

Mr. SCHAFER. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. SCHAFER. If the gentleman will study the voluminous hearings of the Committee on Expenditures as to the proposed consolidation of the Army and the Navy, he will change his views with reference to the aviation service of the Army and the Navy's being the same.

Mr. LaGUARDIA. The gentleman can not find an honest-to-goodness, bona fide, sincere aviator who is competent, whether he be in the Army or the Navy, who will not confidentially state that it would be to the best interests of the country to unite the two services. But they dare not officially say so. I know. I have lived with these boys. I know them. I know every one of the pioneers in aviation, from Foulois down and from Moffatt down, are for a united Air Service.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. MARTIN of Oregon. I agree with the gentleman's statement absolutely; but the reason they want a unified Air Service is because they think the next war will be fought with airplanes.

Mr. LaGUARDIA. I do, too. Does not the gentleman from Oregon believe that?

Mr. MARTIN of Oregon. So far as learning the rudiments of flying is concerned, it is the same in both services; but the uses to which the two services put airplanes are entirely different.

Mr. LaGUARDIA. Does not the gentleman from Oregon believe that the most effective combat arm in the next war will be the air forces?

Mr. MARTIN of Oregon. There is no question but what it will be a most important auxiliary arm, but I object to the statement that it will determine the issue of a war. Such a statement is ridiculous. It will not.

Mr. LaGUARDIA. Well, that is a detail. The gentleman will admit, of course, that the art of warfare has entirely changed in the last 25 years by reason of the development of aircraft.

Mr. MARTIN of Oregon. Yes; but the principles of warfare never change. The various arms change in relative importance.

Mr. LaGUARDIA. Does not the gentleman believe that the efficiency of the air forces would be increased by a combination of the two services?

Mr. MARTIN of Oregon. Absolutely.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I agree with the distinguished gentleman from New York that a unified air service would be to the best interest of the country. I am one of those who voted to combine the Army and the Navy

when the question came up here a year ago. I remember that at that time some Member of Congress said that during the World War Germany was the only country which had a united army and navy, and she lost the war. Another gentleman—I think the gentleman from New York—remarked: "Yes, and it took the whole world to lick her." I think that is the story.

We have at other times heard what the distinguished gentleman from Oregon says, that the Army and Navy did not want the air forces consolidated. Of course they do not. The generals and the fliers of the Army are afraid of their promotions or they are afraid of their pay; and the same thing applies to the aviators of the Navy; they are afraid some admiral will lose his promotion.

The question of national defense rises above all these things and in its consideration these matters should be brushed aside.

I believe there should be in the Cabinet a secretary of the air forces, a man who would be able to sit down with the Secretary of the Navy and the Secretary of War and discuss strategy and discuss what they are going to do about war, so we will not have this pulling here and hauling there.

We all heard the story as to the famous races that were held between the Army and the Navy. It was brought out on the floor of the House that during those races one year the Army would agree that the Navy would win and the next year the Navy would agree that the Army would win, so you would not know which had the fastest planes. Is that national defense? Is that trying to build up the air forces? No; that is just "You pat my back and I'll pat your back." We do not want that in national defense. We want the best air force in the world.

Mr. HERR. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. HERR. I can not understand why, if the gentleman believes in a consolidation of the Army and the Navy, he also believes in the creation of another instrumentality, a department of aviation.

Mr. CONNERY. If they will consolidate the Army and the Navy, then let them consolidate all three branches of defense and put them under the control of one department.

Mr. HERR. If the Army and the Navy were to be consolidated, the thing to do would be to include the air service and put them all under one department.

Mr. CONNERY. That is what I would like to see done. I would like to see Congress put them all under one head. But if we can not get through Congress the proposition of consolidating the Army and the Navy, then I say the thing to do is to create a department of air forces with a secretary at its head in the Cabinet.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LAGUARDIA. I call the gentleman's attention to the fact that an Englishman down at Daytona yesterday attained a greater speed with an automobile by 50 per cent, I will say 60 per cent, than the Navy planes attain.

Mr. CONNERY. I agree with the statement of the gentleman.

Mr. GOSS. I can not but wonder, in view of the service of the gentleman from Massachusetts in the Army, how he would feel if an admiral were chosen to be the head of such a consolidated department.

Mr. CONNERY. I will serve under any admiral in the world if he knows what he is talking about, and there is not the situation where they say: "You do this and I'll do that." The gentleman is aware of the controversies that take place between generals; and he knows where the dough-boy fitted into the picture.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MARTIN of Oregon. Different functions are performed by the two air forces.

Mr. CONNERY. They could be performed much more effectively by being consolidated into one department. With

these fires smoldering over there in the Far East we have got to have the best air service in the world. That is what I want.

Mr. SCHAFER. Will the gentleman yield?

Mr. MARTIN of Oregon. With this great air force that the gentleman is talking about, why did they not clean up Shanghai?

Mr. SCHAFER. Why does not the gentleman convert his pacifist chairman of the subcommittee on appropriations for the Army?

Mr. LAGUARDIA. He is not a pacifist.

Mr. SCHAFER. How are you going to have the kind of air service that the gentleman wants?

Mr. CONNERY. The chairman of the subcommittee on War Department appropriations is not a pacifist.

I am for real national defense and for a real air force for the United States.

[Here the gavel fell.]

The Clerk read as follows:

NAVAL ACADEMY

Pay, Naval Academy: Pay for professors and others, Naval Academy: Pay of professors and instructors, including one professor as librarian, \$253,192: *Provided*, That not more than \$33,300 shall be paid for masters and instructors in swordsmanship and physical training: *Provided further*, That the number of civilian and officer instructors at the Naval Academy shall not be increased during the fiscal year 1934, and any vacancy occurring in the number of civilian instructors in other than swordsmanship and physical training shall not be filled until the number of such instructors shall have been reduced below 49: *Provided further*, That no officer shall be detailed as an instructor of midshipmen without the approval of the academic board.

Mr. VINSON of Georgia. Mr. Chairman, I make a point of order on the last proviso on page 39, beginning in line 19, as legislation on an appropriation bill.

Mr. AYRES. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. GOSS. Mr. Chairman, I make a point of order on the proviso on page 39, lines 13 to 19, inclusive, that it is legislation on an appropriation bill.

Mr. AYRES. I may say to the gentleman that this is only a limitation.

Mr. GOSS. It does not show any saving, on the face of the language of the bill, under the Holman rule.

Mr. BANKHEAD. A limitation, I will say to the gentleman, does not necessarily have to show a saving.

Mr. GOSS. No; but we have limitations in the guise of legislation, I will say to my friend from Alabama; and I think this is legislation in the guise of a limitation.

The CHAIRMAN. Can the gentleman from Kansas inform the Chair whether or not there will be any saving under this proviso?

Mr. AYRES. I can not point out any definite saving, Mr. Chairman, but the provision will prevent expansion of the present instruction force. It is a limitation, without which there could be expansion, although I am frank to say I am sure no expansion would occur.

Mr. McCORMACK. Will the gentleman yield?

Mr. AYRES. Certainly.

Mr. McCORMACK. Has the gentleman any information as to how many of those that this paragraph affects are performing service at the Naval Academy now? Are there more than 49?

Mr. AYRES. There are 62, excluding physical instructors.

Mr. McCORMACK. It is provided in line 19 that they must be reduced below 49. Does this mean there are over 49 there now?

Mr. AYRES. There are 62 at the Naval Academy at this time.

Mr. McCORMACK. And it is the intention to reduce the number to 49, gradually?

Mr. AYRES. Eventually to 49.

Mr. McCORMACK. Then this would indicate that there is going to be a reduction?

Mr. AYRES. Yes.

Mr. STAFFORD. Mr. Chairman, on the point of order, if the Chair will indulge me—

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin on the point of order.

Mr. STAFFORD. I respectfully submit that the first part of the proviso, "that the number of civilian and officer instructors at the Naval Academy shall not be increased during the fiscal year 1934," is a proper limitation under the Holman rule. This provides, on its face, that the number shall not be increased. The very purpose of the language is to limit the amount of the appropriations based on the number of instructors that may be employed.

The CHAIRMAN. How can the gentleman point out that there is a definite showing of a decrease?

Mr. STAFFORD. The very language is that the number shall not be increased. What more definite language can be used than the language which says "shall not be increased"? This language is predicated upon the idea there is a certain number now employed and the language says that the number shall not be increased. The very purpose of the language is to make it so there will not be any further employment of more instructors which would be an expense on the Government, so far as that is concerned.

The CHAIRMAN. Does this language, in the opinion of the gentleman from Wisconsin, eliminate anything or does it save any money?

Mr. STAFFORD. Yes. I direct the attention of the Chair to the rule—of which the Chair, of course, is cognizant—

Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as, being germane to the subject matter of the bill, shall retrench expenditures by the reduction of the number and salary of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts of money covered by the bill.

This is provided for by not allowing an increase of the number, and the very opposite of an increase is that there will be a reduction when a vacancy occurs. The Chair must take into consideration that vacancies do occur by reason of death or resignation, as the hearings and the report show; therefore there will be no increase in the number.

The CHAIRMAN. Does not the rule say that the expenses shall be retrenched?

Mr. STAFFORD. No; shall retrench expenditures by reduction of the number. If the language of the bill provided for an increase, of course, there would not be any retrenchment; but where the language provides specifically there shall not be any more added, this must result necessarily, from the language itself, in a retrenchment of expenditures, because the Chair must take judicial cognizance of the fact that vacancies occur for one reason or another; and when such vacancies occur they shall not be filled or the number increased.

The CHAIRMAN. Is it not entirely speculative as to whether or not there will be a retrenchment or a reduction or any vacancies?

Mr. STAFFORD. No; it is not speculative. I can not consider it speculative or conjectural in placing a limitation on a bill that forbids an increase in the instructional force of the Academy. There is retrenchment when you place a limitation that the number shall not be increased in that it prevents an increase.

Mr. BANKHEAD. Mr. Chairman, I can not agree with the gentleman from Wisconsin, although I usually do on matters of parliamentary construction. It does not affirmatively appear that there is any retrenchment in this provision. The question seems to be whether or not, aside from the question of reduction of expenses, this language would be authorized by existing law. If this is legislation, I think the position of the gentleman from Connecticut is correct. I am not familiar with the substantive law on the question, but if the limitation is not authorized under existing law, then the proposition is subject to a point of order.

The CHAIRMAN. The Chair is ready to rule. In the opinion of the Chair, it must show that the language comes

within the rule, and that there is a definite retrenchment. The Chair thinks that the language does not so show, and therefore the point of order is sustained.

Mr. AYRES. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 39, line 13, after the word "training," insert "Provided further, That no part of this appropriation shall be available for the paying of civilian instructors at the Naval Academy who were not so employed on June 30, 1933."

Mr. GOSS. Mr. Chairman, to that I reserve a point of order.

Mr. VINSON of Georgia. Does that provide for the same restriction as the language that was stricken out?

Mr. AYRES. Yes.

The CHAIRMAN. Does the gentleman from Connecticut wish to press his point of order?

Mr. GOSS. I do not.

The amendment was agreed to.

The Clerk read as follows:

PAY, MARINE CORPS

Pay of officers, active list: For pay and allowances prescribed by law for all officers on the active list—pay and allowances, \$3,443.-816, including not to exceed \$128,067 for increased pay for making aerial flights; subsistence allowance, \$447,168; rental allowance, \$619,254; in all, \$4,510,238; and no part of such sum shall be available to pay active-duty pay and allowances to officers on the retired list.

Mr. AYRES. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 42, line 5, strike out the figures "\$128,067" and insert "\$141,306."

Mr. AYRES. Mr. Chairman, that simply puts back the flying pay of the Marine Corps.

The amendment was agreed to.

The Clerk read as follows:

ALTERATIONS TO NAVAL VESSELS

Toward the alterations and repairs required for the purpose of modernizing the U. S. S. *New Mexico*, *Mississippi*, and *Idaho*, authorized by the act entitled "An act to authorize alterations and repairs to certain naval vessels," approved February 28, 1931, \$5,500,000, to remain available until expended: *Provided*, That the sum to be paid out of the amount available for expenditure under this head for the fiscal year 1934 for employees in the field service assigned to Group 4 (b) and those performing similar services carried under native and alien schedules in the schedule of wages for civil employees in the field service of the Navy Department shall not exceed \$30,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. From my reading of the hearings, I recall the authorization made some years back providing for the rehabilitation of three battleships. Only on two of those has the work been under construction, as I understand it. Am I correct in my recollection?

Mr. AYRES. There are three undergoing modernization now.

Mr. STAFFORD. I understood there was one at Norfolk and one at the Philadelphia Navy Yard.

Mr. AYRES. Two at Norfolk.

Mr. STAFFORD. Whereas no work has been begun so far as the third battleship is concerned?

Mr. AYRES. Oh, yes. That is progressing a little more slowly than the others, but all three are under modernization.

Mr. STAFFORD. Do the hearings disclose the views of the Navy Department on whether the expenditure of \$10,000,000 on each of these outclassed and outworn battleships is a justifiable expenditure?

Mr. AYRES. We did not go into that question extensively this year. In the hearings on the appropriation bill for the current year we discussed this matter quite fully and as a result tried to reduce the authorized cost from \$30,000,000 to \$27,000,000. The bill that we reported reduced the limit of cost, but in the end became law with the original authorization unchanged.

Mr. STAFFORD. The original estimate was predicated on existing costs at the time, and at that time costs had

not been reduced. Are they going ahead with a more extravagant modernization than was originally intended?

Mr. AYRES. The basis for the committee's action last year was the reduction in matériel costs. We took that action despite the fact that we were told there had been an increase in cost owing to moneys not having been provided as rapidly or as fully as needed, which resulted in an increase of overhead costs that would more than absorb savings accruing from lower commodity costs.

Mr. STAFFORD. Will the gentleman inform the House when these two that have been getting along pretty well will be in commission, and when the last one, upon which they have been going along in a fractional sort of undertaking, will be in commission?

Mr. AYRES. Two in the latter part of this calendar year, and the third one shortly after the beginning of the next fiscal year.

Mr. STAFFORD. Is it intended on the part of the Navy to have this modernization apply to the other battleships that are just about going out of commission?

Mr. AYRES. Nothing of that kind has been authorized. The gentleman probably intends to address his inquiry to the gentleman from Georgia [Mr. VINSON], the chairman of the Naval Affairs Committee.

Mr. STAFFORD. I hope that under the leadership of the advanced gentleman from Georgia he will not bring into the House any bill providing for an expenditure of \$30,000,000 on old, discarded battleships, but will bring in a measure for modern vessels, to meet the demands of the times.

Mr. VINSON of Georgia. I am in accord with the gentleman from Wisconsin.

Mr. STAFFORD. The gentleman again qualifies as a progressive naval expert.

Mr. FRENCH. Mr. Chairman, I rise to oppose the pro forma amendment. The gentleman from Wisconsin [Mr. STAFFORD] asked whether or not the \$30,000,000 modernization program should have been undertaken and this large amount appropriated for the modernization of the three battleships. Personally, I was one of the Members of Congress who did not think the appropriation was justified. I opposed it at the time, and a year ago in the committee believed that the reductions that had occurred in cost of materials and labor were such that we ought not to carry the entire amount authorized originally into the appropriation bill. The gentleman has indicated the correct course when he said we ought not to have spent the \$30,000,000 upon those battleships, but that we ought to have saved that money and have applied it at some future time on a modern Navy program.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. STAFFORD. At the time when the Senate bill was under consideration authorizing the expenditure of \$30,000,000 for these old discarded battleships, that had been in commission for about 20 years, ready to be scrapped or for the second line of defense, there was introduced in the House a bill providing \$76,000,000 for new construction. I believe I am not violating any secret when I say that the reason why the Naval Affairs Committee pressed the \$30,000,000 proposal was because they did not think that they could get the \$76,000,000 bill through the Senate, and they took the other up in order to give employment in the navy yards.

Mr. FRENCH. In my judgment the gentleman's understanding is correct. That was my understanding at the time. I was opposed to the program, and I believe the gentleman has stated the facts.

The Clerk read as follows:

INCREASE OF THE NAVY

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized, \$25,047,785, and, in addition, (1) the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to make transfers during the fiscal year 1934 from the naval supply account fund to this appropriation of sums aggregating not to exceed \$8,000,000, and (2) \$2,498,000, which is hereby reappropri-

ated for the objects embraced by this paragraph of the appropriation "Public works, Navy, emergency construction, act July 21, 1932," contained in the act entitled "An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and expediting a public works program," approved July 31, 1932, and the total sums hereby made available shall remain available until expended: *Provided*, That the sum to be paid out of the amount available for expenditure under the head of "Construction and machinery" for the fiscal year 1934 for employees in the field service assigned to Group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Service Employees in the Field Service of the Navy Department shall not exceed \$800,000: *Provided*, That of the appropriations contained in this act under the head of "Increase of the Navy," there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services, including the purchase of plans, and the employment of personnel in the Navy Department and in the field, in addition to those otherwise provided for, owing to the construction of vessels heretofore authorized and herein or heretofore appropriated for in part.

Mr. VINSON of Georgia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. VINSON of Georgia: Page 49, line 14, before the period, insert a colon and "*Provided further*, That the appropriation limitation on expenditures including armor and armament for the aircraft carrier No. 4 is hereby fixed at \$21,000,000."

Mr. VINSON of Georgia. Mr. Chairman, I call the attention of the House to the effect of this amendment. A few years ago Congress authorized the construction of what is known as the *Ranger*, an experimental type of aircraft carrier. The contract was let and was awarded to the Newport News Shipbuilding Co. It now is progressing very rapidly in the stages of completion. The Navy Department is desirous of making certain changes with reference to the type and character of that ship.

Extended hearings were held and testimony was heard by the committee from the Secretary of the Navy, the Chief of Bureau of Construction and Repair, Chief of Bureau of Engineering, Chief of Bureau of Aeronautics, and the Assistant Chief of Bureau of Aeronautics. The department also presented models of the U. S. S. *Ranger*, which made it easier to visualize the proposed changes which will make her a far more efficient unit of the United States Fleet. The witnesses were unanimous in stating that the proposed changes are essential, not only to obtain increased military effectiveness but also for the protection of life and material. Also, they can be accomplished, if authorized now, more cheaply and satisfactorily than at any later time.

The U. S. S. *Ranger* was designed during the years 1927-1929 and a contract for her construction was entered into with the Newport News Shipbuilding & Dry Dock Co. under date of November 1, 1930. The contract price for the hull and machinery of this vessel is \$15,775,000, including changes authorized to date. Armor, armament, and ammunition costing \$2,716,000, which are furnished by the Government, are included in the limit of cost but are not part of the contract price. The total of \$18,491,000 leaves only \$509,000 to cover Government-furnished equipage, trial items, past trial items, and essential military changes yet to be authorized. The contract date of completion is May 1, 1934.

The U. S. S. *Ranger* is the first aircraft carrier, designed as such from the beginning, to be constructed for the United States Navy, and is, therefore, to a very great extent an experimental ship. Her design was based largely on the limited experience gained with the *Langley*. Although the *Saratoga* and *Lexington* were commissioned on November 16, 1927, and December 14, 1927, respectively, it was not until the year 1929 that they took an active part in the fleet maneuvers.

A large number of important developments in naval aviation have resulted from the fleet maneuvers of 1929, 1930, 1931, and 1932. Most of these developments have been incorporated in the *Lexington* and *Saratoga* but very few of them have been incorporated thus far in the *Ranger*, due to the limited funds available. In addition, experience not only in the United States Navy but also in foreign navies

has indicated conclusively within the past two years the necessity for having elevated locations for controlling the movements of the vessel, the fire of the antiaircraft guns, and the operation of the ship's airplanes. The committee thus finds that, whereas it will be possible to complete the *Ranger* as originally designed, within the present limit of cost of \$19,000,000, if this be done the ship when turned over to the Navy, will be some three or four years behind the *Lexington* and *Saratoga* as an aircraft carrier and will be seriously handicapped with regard to communications, equipment, and the operation of her planes and guns. Accordingly it is strongly recommended that the proposed increase of the limit of cost from \$19,000,000 to \$21,000,000 be authorized.

I am advised there is no objection on the part of the members of the subcommittee. They made an investigation and they are all in accord that this amendment should be agreed to.

Mr. STAFFORD. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. STAFFORD. On the Consent Calendar on the last call there was a bill reported from the committee of which the gentleman has the honor to be the chairman providing for an increase of appropriation for this carrier of \$2,000,000.

Mr. VINSON of Georgia. That is correct.

Mr. STAFFORD. As I understand, it is the purpose of the gentleman's amendment to carry that legislation into effect?

Mr. VINSON of Georgia. That is correct.

Mr. STAFFORD. With those proposed modifications, when will the *Ranger* be ready for commission?

Mr. VINSON of Georgia. The *Ranger* will be launched on the 25th. Mrs. Hoover will christen it. It will be about a year before the *Ranger* can go into commission if this legislation passes. This is an experimental type of aircraft carrier. It is the first one the Government has ever built. The *Saratoga*, the *Lexington*, and the *Langley* are converted ships.

The distinguished gentleman from Idaho [Mr. FRENCH], as well as the distinguished gentleman from New York [Mr. TABER] and other members of the Committee on Appropriations, so I am advised, are thoroughly in accord with increasing the authorized cost of constructing this ship. It may not cost \$21,000,000. The Bureau of Construction and Repair at the next Congress will come before the Congress and lay out a program as to what the cost will be. They are so close to-day within the total amount of the appropriation that it is necessary there be leeway given them.

Mr. TABER. Will the gentleman yield?

Mr. VINSON of Georgia. With pleasure.

Mr. TABER. I think that this aircraft carrier ought to be built in the best possible way, and as it is an experimental type of ship, something that we can follow with our permanent construction, we ought to go ahead with it just as fast as we can, and I think the amendment offered by the gentleman from Georgia should be adopted.

Mr. FRENCH. Mr. Chairman, I move to strike out the last word.

I think that in the interest of economy in the construction of this particular craft, it would be desirable that the amendment be adopted. I am afraid greater expenses will result unless we so act.

I wish, now, to refer to a general statement that was made by the distinguished chairman of the Naval Committee [Mr. VINSON], a few weeks ago, that was given a great deal of currency in the press of the country, in which he seemed to take the administration severely to task because a more intensive naval-construction program has not been carried forward during the last several years.

I have the highest respect for my colleague [Mr. VINSON] and for the valuable services he is rendering as a Member of Congress, and it may be that he did not intend his criticism as a reflection upon the administration but as an expression of regret that a more extensive building program had not been followed. This really must be the case, for the gentleman is chairman of the Naval Affairs Committee

and the Democratic Party has been in control of the House for nearly two years and no authorization building program has passed this House during all that time.

Personally, I am in heartiest sympathy with the policy that the administration has followed in advising a moderate program in construction work. The very amendment that the gentleman proposes suggests to the Members of the House that if we are to have regard for economies we must not rush forward with untried building projects. Under the London treaty we may equip 25 per cent of our cruiser tonnage with flight decks. Here again is a departure in our construction program, and it should be entered upon with care.

As I said yesterday, I am in accord with a conservative program because of the effect that it will have upon the limitation conference that will convene in 1935. I hope that when two years shall have passed and that conference shall have assembled all nations will not find themselves built up to tonnage limits. Should nations be built to the limit of tonnage, we shall find that one of the greatest arguments that will be brought to bear against reduction of tonnage and those of officers and personnel and costs and all the other naval burdens will be because the nations will not want to destroy new craft. That was the argument at the Washington conference. It was the argument at the London conference. It will be the argument in any conference that may be held in the future.

Again, I have approved of the policy of moderation in naval building programs because I have hoped that through moderation the United States could be most helpful in bringing practical results out of the conference that has been in progress in Geneva looking to reduction of all military and naval burdens.

In my judgment, we have followed the right course in being moderate in naval construction, a course initiated by the President and concurred in by the Congress.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. AYRES. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. COYLE. Mr. Chairman, it has been my privilege to serve six years in this Congress on the Committee on Naval Affairs of the House. During four years of that time the gentleman from Georgia [Mr. VINSON] was the ranking minority member. For the last two years he has been the chairman of the committee.

In the six years during which I, a Republican, have served alongside of him there has never been a time in his actions on that committee, or in the transactions of that committee, when partisan politics in any sense has been allowed to interfere with his idea of the national defense. Whether he led the minority, or whether he presided over the entire committee as its chairman, the gentleman from Georgia has been first, last, and all the time a patriot in every approach to the question of national defense. [Applause.]

In this last Congress, close to his own heart was a building program that, in many ways, many of us would have liked to have seen reported to the Congress, a program on which we would like to have seen the country embark. From my own knowledge I know the gentleman from Georgia sunk his own personal desires for the time being in the interest of what he believed, and what I believed, to be the national good and the international comity.

The possibility of making any great advance in this Congress, had that bill been reported, would not have been at all considerable. In my own judgment, the gentleman from Georgia has refrained from reporting that bill and persuaded the members of the committee to think with him practically without dissent, he believing that it were better to hold it back because of a desire on his part not to put the national defense in any degree in conflict with the President of the United States as the Commander in Chief

of the armed forces of his country; and I feel exceedingly sorry to hear from my own party this afternoon an attack in some measure on his motives, on his responsibility, for not reporting that program.

Mr. FRENCH. Mr. Chairman, if the gentleman had heard what I said, he would recognize that what I said was not in criticism of his course in the Congress, but approval. The gentleman to whom I referred seemed to criticize in his interviews the present administration for not carrying through a larger building program, whereas the Congress must share the program with the administration. For my part, I believe it is the course we should have followed.

Mr. COYLE. Mr. Chairman, if in any way I have wronged or misquoted the gentleman from Idaho, it was not my intention so to do.

I did feel that the question of partisan politics had been pinned on the chairman of our committee; and in this moment I desired to speak what was close to my own heart and what I know to be a fact, that in that committee under his leadership partisan politics has never been considered in relation to the national defense. [Applause.]

Mr. FRENCH. On the contrary, my remarks are prompted by the same thought, that in the interviews the gentleman has given out he has seemed to desire to criticize the present administration, when his committee and this Congress must share the responsibility.

The CHAIRMAN. The question is on the amendment of the gentleman from Georgia.

The amendment was agreed to.

The Clerk read as follows:

The appropriations made in this act for the purchase or manufacture of equipment or material or of a particular class of equipment or material shall be available for the purchase of letters patent, applications for letters patent, licenses under letters patent, and applications for letters patent that pertain to such equipment or material for which the appropriations are made.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order. I have not had time to ascertain whether this language has been carried in prior appropriation bills. It grants rather omnibus authority to the department to use any amount of appropriations for the purchase of letters patent or applications for patents.

Mr. AYRES. I may state to the gentleman from Wisconsin that this provision, in exactly the same language, has been carried in naval appropriation acts for many years.

Mr. STAFFORD. To what extent has the department availed itself of this omnibus authority for the purchase of patents?

Mr. AYRES. I do not know. Frankly, I can not answer the gentleman's question.

Mr. STAFFORD. There is no limit whatever on the amount of money they can expend in this way.

Mr. AYRES. The gentleman is correct; but I can assure him there has been no abuse.

Mr. STAFFORD. Does not the gentleman think it would be prudent to place some limitation upon the amount of the appropriation that could be expended for the purpose?

Mr. AYRES. I am inclined to agree with the gentleman.

Mr. STAFFORD. I wish the gentleman would keep this thought in mind in the consideration of the bill next year, because I think it is questionable practice to authorize a department to expend an unlimited amount for the purchase of patents.

Mr. AYRES. I assure the gentleman I shall be very glad to bear in mind his suggestion.

Mr. STAFFORD. I realize the Government is undertaking the building of a number of ships and there may be occasion for authority to purchase patent rights, but we do not extend this authority to the War Department. The language carried in this bill gives unlimited blanket authority. Millions could be used, and the Government would be helpless.

Mr. AYRES. I should not go that far, because the amounts that we appropriate are very definitely allocated.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of the point of order.

The Clerk concluded the reading of the bill.

Mr. AYRES. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose and the Speaker having resumed the chair, Mr. DOXEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 14724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1934, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. AYRES. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. AYRES, a motion to reconsider the vote by which the bill was passed was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 533) entitled "Joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PATTERSON, Mr. ODDIE, and Mr. HAYDEN to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2148) entitled "An act for the relief of Clarence R. Killion."

EXTENSION OF REMARKS—NAVAL APPROPRIATION BILL

Mr. AYRES. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their own remarks on this bill (H. R. 14724).

The SPEAKER. Is there objection?

There was no objection.

Mr. DREWRY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to address myself briefly to the information concerning the Marine Corps recently brought out in hearings before a subcommittee of the Committee on Naval Affairs and a subcommittee of the Appropriations Committee of the House.

It is becoming more and more evident that it is almost impossible for the House, with the multiplicity of matters before it for consideration, to consider thoroughly legislation that requires detailed study. Necessarily, therefore, reliance must be placed in the committees that hold extended hearings on such subjects. I have been very much impressed, in my service in the Congress, with the carefulness, earnestness, and study given by faithful and hard-working committees to the subjects that are referred to them.

In particular do I wish to pay my humble tribute to the Subcommittee on Appropriations which submitted through its chairman, Mr. AYRES, the bill making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1934. As a member of the Committee on Naval Affairs, I have been particularly interested in its work. It is a pleasure to be able to praise the faithful and conscientious members of this committee for the efficient

work that they did. The House evidently thought as I did, for little fault was found with its recommendations. This committee had a very delicate job to perform. On the one hand was the properly insistent demand for economy in Government expenditures, and on the other hand, was the imperative necessity for providing for an adequate national defense. This committee met the issue squarely and announced (p. 8 of the report):

We can ill afford, in the judgment of the committee, to accede to proposals advanced as measures of economy that would lessen the present degree of our military preparedness.

This view was responsible for the refusal of the committee to accept the Budget recommendations with reference to the Marine Corps—the Budget proposal being to reduce the corps' enlisted strength to 13,600.

In 1931 the appropriated enlisted strength was 18,000; in 1932, 17,500; in 1933, 15,343; and for the fiscal year 1934, as said above, the suggestion was to make the number 13,600. If such a reduction were to be made, in my opinion, and in the opinion of others far better qualified to judge than I am, its service would have been reduced below its minimum of effectiveness. Economy at the expense of effectiveness is not real economy.

The Navy, as a part of its policy, is expected to maintain a Marine Corps of such strength that it will be able adequately to furnish detachments to vessels of the fleet in full commission, to supply guards for shore stations, and garrisons for outlying positions, and to maintain them in readiness as expeditionary forces. The Marine Corps, therefore, is a highly specialized force trained for certain purposes. In war time its function is to provide an expeditionary force to assist the fleet in the capture and defense of naval bases. In peace, this expeditionary force is used to provide landing forces for the protection of American interests in regions where unsettled conditions make such interference necessary. It follows that its training and experience thus makes the personnel of this corps ready for service on land and sea. There is no other part of our Military Establishment that has this precise duty, and no other organization under naval command can fulfill the requirements. In undertaking overseas operations there must be an advanced base force that can seize and defend the fleet bases. Acting as it does with the fleet proper coordination requires that it be developed, trained, and maintained by the Navy. As the duties of such expeditionary forces are unique and require special training, the mobility of the fleet would be seriously affected without the proper force to do the work. A reduction of the force below the number required by the fleet would seriously cripple the successful activities of the fleet itself. This has been recognized by our naval experts and the number required for the peace-time enlisted strength of the Marine Corps has been fixed at approximately one-fifth of the actual enlisted strength of the Navy. Long experience has evolved this approximated strength.

I know that recently statements to the effect that naval men exaggerate the necessity of certain requirements for an adequate national defense have met with applause from those pacifistically inclined. As a matter of common sense, I believe our naval experts, trained for the purpose of protecting our country and its commerce, are the best sources of information of our needs for national security. I have never seen any lack of patriotism on their part nor any intention to aggrandize themselves at the expense of their country. If their judgment is unsound, where would we go to receive the proper determination of the force necessary to be employed in our Military Establishment for the protection of the country? Is it sound sense to follow the opinions of those who have never had any training or experience in naval activities?

The Commandant of the Marine Corps, in his annual report to the Secretary of the Navy dated September 8, 1932, says:

The reduction of the enlisted strength of the Marine Corps from 18,000 to 15,343 has made it impossible for the corps to carry out its primary mission of supporting the United States Fleet by maintaining a force in readiness to operate with the fleet. On

the present strength only weakly skeletonized organizations of such arms that are essential to a modern military force can be maintained.

With the present enlisted strength the Marine Corps is not prepared to perform its allotted task in the event of a national emergency.

And before the subcommittee adds:

The further reduction to 13,600 will greatly intensify the situation and impair the national defense.

Such a statement by a conscientious officer must demand our consideration.

It is not necessary to quote the further testimony of our naval experts, for it is set out in the hearings before the Subcommittee on Appropriations and the Subcommittee on Naval Affairs. The testimony of every witness, including the Secretary of the Navy, the Chief of Naval Operations, the president of the General Board of the Navy, the Chief of the Bureau of Navigation, and the Chief Coordinator of the Government was to the effect that the United States has no other force that could be used as the Marine Corps is used, that there should be some such force specially trained for the duties required of the Marine Corps, that the present strength of the corps does not enable it to fully perform all the functions for which it is needed, and that a further reduction would be disadvantageous to the corps, seriously impairing its efficiency and thereby destroying its best service to the country and impairing the national defense.

Every Member of Congress realizes the necessity for economy at this time, and Congress has evidenced this by a very reasonable reduction in governmental expenditures, but by reason of the unsettled conditions which now exist throughout the world, the weakening of our Navy at this time would be most unwise. Unfortunately for the United States, there is only one fortified base outside the continental limits where the ships of the fleet could rendezvous for repair, fuel, food, ammunition, and rest, and from whence they could operate at will without being concerned with the defense of the base itself. It is, therefore, necessary that the fleet should be prepared to establish and hold bases in the event of any trouble.

Troops must accompany the fleet for shore operations for this purpose and for other essential shore operations in connection with fleet activities. These troops must be specially trained and always ready for emergency landing in disturbed areas, for it trouble should arise it would arise suddenly. The fleet, the first line of defense, must be ready to move, and the Marine Corps, in order to fulfill its primary mission, must also be ready. Such a trained force can not be hurriedly improvised, and it must be composed of men and officers who, after years of service with the Navy, have acquired the sea habit and are a part of the Navy. No other troops could operate with the Navy with equal economy and efficiency as the Marine Corps with its high morale and specialized training for this particular service.

This country has never fought a war of aggression, nor has it fought for the purpose of territorial acquisition. This has been our declaration to the world, but we must be prepared to defend our rights and the rights of our citizens and to maintain their liberty and freedom from oppression throughout the world. In order to do this the Navy must be maintained upon a standard that will give the country adequate security, and the first element in this maintenance is the proper care of the Marine Corps.

I am glad to have had the opportunity to congratulate the hard working and conscientious Committee on Appropriations, which realized the necessity of keeping the Marine Corps up to its proper standard.

TAXICAB RATES

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing a table that I have compiled, showing the rate of taxicab fares in other cities similar in population to Washington.

The SPEAKER. Is there objection?

There was no objection.

The table is as follows:

Proposed and existing taxicab regulations, as of February 1, 1933

City	Population	Certificate of convenience or necessity required	Insurance required	Rates regulated	Taximeters required
Akron, Ohio	240,000	Yes, \$100	Yes	Yes	Yes
Albany, N. Y.	120,400	Yes	Yes	Yes	No
Atlanta, Ga.	255,100	Yes	Yes	Yes	Yes
Baltimore, Md.	830,400	Yes	Yes	Yes	Yes
Birmingham, Ala.	224,000	No	Yes	Yes	Yes
Boston, Mass.	779,620	License	Yes	Yes	Yes
Bridgeport, Conn.	160,000	Yes	Yes	Yes	Yes
Buffalo, N. Y.	555,800	Yes	Yes	Yes	Yes
Butte, Mont.	43,600	Yes	Yes	Yes	Yes
Cambridge, Mass.	125,800	Yes	Yes	Yes	Yes
Camden, N. J.	135,400	License	Yes	Yes	Yes
Canton, Ohio	116,800	Yes	Yes	Yes	No
Chattanooga, Tenn.	73,500	License	Yes	Yes	No
Chicago, Ill.	3,157,400	Yes	Bond	Yes	Yes
Cincinnati, Ohio	413,700	Yes	Yes	Yes	(?)
Cleveland, Ohio	1,010,300	Yes	Yes	Yes	Yes
Columbus, Ohio	299,000	Yes	Yes	Yes	No
Covington, Ky.	59,000	Yes	Yes	Yes	No
Dallas, Tex.	217,800	No	No	Yes	Yes
Dayton, Ohio	184,500	Yes	Yes	Yes	Yes
Denver, Colo.	294,200	Bond	Yes	Yes	No
Des Moines, Iowa	151,900	No	No	Yes	Yes
Detroit, Mich.	1,378,900	Yes	Yes	Yes	Yes
Duluth, Minn.	116,800	Yes	Yes	Yes	No
Elizabeth, N. J.	128,000	License	Yes	Yes	Zone
El Paso, Tex.	117,600	No	No	Yes	No
Evansville, Ind.	98,100	Yes	Yes	Yes	Yes
Fall River, Mass.	142,000	Yes	Yes	Yes	Yes
Fort Dodge, Iowa	105,390	Yes	Yes	Yes	No
Fort Wayne, Ind.	170,600	Yes	Yes	Yes	Yes
Fort Worth, Tex.	89,100	Yes	Yes	Yes	Yes
Gary, Ind.	164,200	License	Bond	Yes	(?)
Glendale, Calif.	40,000	Yes	Yes	Yes	Yes
Great Falls, Mont.	56,000	Yes	Yes	Yes	Yes
Hammond, Ind.	172,300	Yes	Yes	Yes	(?)
Hartford, Conn.	275,000	No	No	Yes	No
Houston, Tex.	382,000	Yes	Yes	Yes	Yes
Indianapolis, Ind.	63,700	Yes	Yes	Yes	Yes
Jackson, Mich.	140,700	Yes	Yes	Yes	No
Jacksonville, Fla.	324,700	Yes	Yes	Yes	(?)
Jersey City, N. J.	391,000	No	Yes	Yes	Yes
Kansas City, Mo.	105,400	Yes	Yes	Yes	No
Knoxville, Tenn.	71,100	Yes	Yes	Yes	Yes
Lincoln, Nebr.	1,500,000	Yes	Yes	Yes	Yes
Los Angeles, Calif.	329,400	Yes	Yes	Yes	Yes
Louisville, Ky.	105,500	Yes	Yes	Yes	Yes
Lynn, Mass.	190,200	Yes	Yes	Yes	Yes
Memphis, Tenn.	156,700	Yes	Yes	Yes	Yes
Miami, Fla.	544,200	Yes	Yes	Yes	Yes
Milwaukee, Wis.	455,900	Yes	Yes	Yes	Yes
Minneapolis, Minn.	139,600	Yes	Yes	Yes	No
Nashville, Tenn.	473,600	Yes	Yes	Yes	(?)
Newark, N. J.	119,040	Yes	Yes	Yes	(?)
New Bedford, Mass.	30,400	Yes	Yes	Yes	Yes
Newburgh, N. Y.	187,900	Yes	Yes	Yes	Yes
New Haven, Conn.	429,400	Yes	No	Yes	No
New Orleans, La.	6,017,000	License	Yes	Yes	Yes
New York, N. Y.	184,200	Yes	Yes	Yes	Yes
Norfolk, Va.	274,100	License	Yes	Yes	Yes
Oakland, Calif.	160,000	Yes	Yes	Yes	Yes
Oklahoma City, Okla.	144,900	License	Yes	Yes	Yes
Patterson, N. J.	2,064,200	Yes	Yes	Yes	Yes
Philadelphia, Pa.	673,800	Yes	Yes	Yes	No
Pittsburgh, Pa.	354,608	Yes	Bond	Yes	No
Portland, Oreg.	286,300	Yes	Yes	Yes	No
Providence, R. I.	115,400	Yes	Yes	Yes	Yes
Reading, Pa.	194,400	Yes	Bond	Yes	Yes
Reno, Nev.	64,600	Yes	Yes	Yes	Yes
Richmond, Va.	328,200	Yes	Yes	Yes	No
Roanoke, Va.	848,000	Yes	Yes	Yes	Yes
Rochester, N. Y.	358,162	Yes	Yes	Yes	No
St. Louis, Mo.	138,000	No	No	Yes	No
St. Paul, Minn.	213,100	Yes	Yes	Yes	Yes
Salt Lake City, Utah	119,700	Yes	Yes	Yes	Yes
San Antonio, Tex.	585,300	Yes	Yes	Yes	Yes
San Diego, Calif.	144,700	Yes	Yes	Yes	Yes
San Francisco, Calif.	383,200	License \$20	Yes	Yes	(?)
Seranton, Pa.	149,800	Yes	Yes	Yes	(?)
Seattle, Wash.	110,500	License	Yes	Yes	Yes
Springfield, Mass.	113,400	No	No	Yes	Yes
Takoma, Wash.	73,500	Yes	Yes	Yes	Yes
Tampa, Fla.	313,200	Yes	Yes	Yes	Yes
Terre Haute, Ind.	139,000	License	Yes	Yes	Yes
Toledo, Ohio	552,000	Yes	Yes	Yes	Yes
Trenton, N. J.	107,000	Yes	Yes	Yes	Yes
Washington, D. C.	128,500	Yes	Yes	Yes	(?)
Waterbury, Conn.	197,600	Yes	Yes	Yes	Yes
West Palm Beach, Fla.	121,300	Yes	Yes	Yes	Yes
Wilmington, Del.	174,200	Yes	Yes	Yes	Yes
Worcester, Mass.	30,450	Yes	Yes	Yes	Yes
Yonkers, N. Y.					
Youngstown, Ohio					
Zanesville, Ohio					

¹ Zones being eliminated.

² Meter or flat.

³ Meter or zone.

⁴ To the extent of filing reports and other requirements prior to approval of licenses and tags.

⁵ Order No. 823 declared invalid by courts.

⁶ Enforcement suspended.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, DEPARTMENTS OF COMMERCE AND LABOR APPROPRIATION BILL—FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I present a conference report on the bill (H. R. 14363) making appropriations for the Departments of State and Justice, and for the Judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes, for printing under the rule.

FEDERAL LAND BANK

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report, which was referred to House Calendar and ordered printed:

House Resolution 392

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 14689, a bill to provide for the postponement of the payment of installments due on loans made by the Federal land banks, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

PURCHASE AND SALE OF COTTON

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report, which was referred to the House Calendar and ordered printed:

House Resolution 397

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5122, "A bill to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture."

That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT OF RADIO ACT OF 1927

Mr. DAVIS of Tennessee. Mr. Speaker, I present a conference report for printing under the rule on the bill (H. R. 7716) to amend the radio act of 1927, approved February 23, 1927, as amended, and for other purposes.

EXPORTATION OF ARMS OR MUNITIONS

Mr. MAAS. Mr. Speaker, I ask unanimous consent that I may have until midnight to-night to file a minority report on the joint resolution (H. J. Res. 580) to prohibit the exportation of arms and munitions of war from the United States under certain conditions, from the Committee on Foreign Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SPEAKER PRO TEMPORE FOR EVENING SESSION

The SPEAKER. The Chair designates the gentleman from Illinois [Mr. RAINEY] to preside as Speaker pro tempore for the evening session.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, can the Speaker inform us what the program will be for to-morrow and Saturday?

The SPEAKER. It is the purpose of the Chair to-morrow to recognize the gentleman from Texas or some one on the report concerning the impeachment of a judge in California. It involves a constitutional question, and a number have asked for time.

After that is concluded, the Chair intends to recognize the gentleman from North Carolina concerning the Samoan bill.

Mr. SNELL. Will that take all day?

The SPEAKER. The Chair does not know, but after that we will have to have a conference.

Mr. SNELL. Unless that is going to take a full day, it does not seem necessary to come in at 11 o'clock.

The SPEAKER. The Chair thinks that we will have enough to do to-morrow.

ENROLLED JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 256. Joint resolution authorizing the Comptroller of the Currency to exercise, with respect to national banking associations, powers which State officials may have with respect to State banks, savings banks, and/or trust companies under State laws; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7521. An act to provide a new Code of Civil Procedure for the Canal Zone and to repeal the existing Code of Civil Procedure;

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; and

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict; and

S. J. Res. 48. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 7522. An act to provide a new Civil Code for the Canal Zone and to repeal the existing Civil Code;

H. R. 13534. An act authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; and

H. J. Res. 561. Joint resolution amending section 2 of the joint resolution entitled "Joint resolution authorizing the President, under certain conditions, to invite the participation of other nations in the Chicago World's Fair, providing for the admission of their exhibits, and for other purposes," approved February 5, 1929, and amending section 7 of the act entitled "An act to protect the copyrights and patents of foreign exhibitors at A Century of Progress (Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933," approved July 19, 1932.

RECESS

Mr. AYRES. Mr. Speaker, I move that the House stand in recess until 8 o'clock p. m.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION

The recess having expired, the House was called to order by the Speaker pro tempore, Mr. RAINEY.

THE PRIVATE CALENDAR

The SPEAKER pro tempore. The House is in session this evening until 10.30 o'clock for the consideration of the Private Calendar. The Clerk will call the first bill.

B. J. SAMPLE

The first business on the Private Calendar was the bill (S. 2991) for the relief of B. J. Sample.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object to the consideration of this bill.

Mr. HARE. Mr. Speaker, will the gentleman reserve his objection?

Mr. EATON of Colorado. Yes.

Mr. HARE. Will the gentleman state his objection to the bill?

Mr. EATON of Colorado. Mr. Speaker, the claimant here obtained a contract from the Government for hauling the mail over a star route, under a competitive bid with others, over a route where there had been some complaint about the distance between the termini of the route. He accepted the contract, and now he comes in afterwards and seeks to have the Government pay him some money based on an admitted difference in mileage.

I do not know how it is in the gentleman's part of the country, but I venture to say that this claimant knew the distance of that route, just exactly the same as every other man who bid, and as did the previous holder of the contract. He must have known what the distance was. Under the circumstances it seems to me to be an unconscionable claim, and should not be entertained by the Post Office Department, and it is not approved by it. It is disapproved by that department.

Mr. HARE. Mr. Speaker, the advertisement for carrying the mail on this route—

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HARE. I am going to make this statement or there will not be any bills passed to-night.

Mr. BLANTON. And I want to ask the gentleman a question or there will not be any bills passed to-night. Are we trying this particular claim, or are we trying the gentleman from Colorado [Mr. EATON]? Does the gentleman from Colorado have to get up here and show all of his reasons for objecting to a bill before we can proceed? If he has, how many bills will we reach to-night?

Mr. HARE. I shall make this explanation or we will not reach any more.

Mr. BLANTON. Mr. Speaker, the gentleman ought not to make that statement. We have about 25 Members only present on the floor here to-night to consider a long calendar. The gentleman from Colorado is one of the men who has worked on this calendar, and I doubt if there are more than three or four others who have done that work. The rest of the men here to-night are Members who have private bills to pass. If the gentleman takes that attitude I doubt whether he will pass his own bill. The gentleman is usually in such a good humor that I think now he ought not to make that kind of a threat, because it will not get him anywhere.

Mr. HARE. It is not a threat, but I must insist on having time to present the facts to the House for the reason that I am familiar with the facts. This is not my bill. It is a Senate bill, but the claimant resides in my district. Here is an advertisement by the Post Office Department to

carry the mail from Augusta, Ga., to Allendale, S. C. The Post Office Department says the distance is 104 miles. A dozen or more men submit bids. One man submits a bid of approximately \$1,750. That is in June, 1927. He is advised shortly afterwards that his bid is accepted, but before actually going to work on July 1, 1927, he learns that the distance is 130 miles. He calls it to the attention of the Post Office Department, and then it developed that the Post Office Department had trouble in connection with the bid on this same star route four years before when the department advertised it was 104 miles. After the carrier began to carry the mail on that route he discovered that it was 130½ miles. He brought it to the attention of the Post Office Department and tried for four years to get them to correct the compensation for the mileage, but the Post Office Department refused to do so. The point I make is this:

When the Post Office Department in 1927 advertised this route, it knew that the mileage was 130.6 miles. It had this information in its files, according to the letter here addressed to the Hon. JAMES F. BYRNES, a Senator from my State. The department admits that his statement of facts is correct. If the gentleman from Colorado [Mr. EATON] will notice the second paragraph, it will be seen that the department did know that the mileage was 130 miles. Yet it advertised 104 miles. This man, who had no way of measuring it, accepted it as true, and then discovered that the route was 25 miles longer than he anticipated.

Mr. EATON of Colorado. Did not this man drive by automobile?

Mr. HARE. Yes.

Mr. EATON of Colorado. Would the gentleman have us believe that he did not have a speedometer and did not know what the distance was?

Mr. HARE. He had no reason to measure it before that.

Mr. EATON of Colorado. Does the gentleman deny the fact that there was a statement in the bid instructions, that the bidders and the sureties "are urged to familiarize themselves with the service to be performed before assuming any liability as bidders or sureties"?

Mr. HARE. That is true.

Mr. EATON of Colorado. Does the gentleman not know that this claimant here was a resident of the vicinity and lived there for a long time?

Mr. HARE. I do not, because it is contrary to the fact. This man lived in my town, a distance of 40 or 50 miles away.

Mr. EATON of Colorado. Forty miles is no distance with an automobile.

Mr. HARE. I know that, but he had a right to rely upon the representation made by the department. Now, if the Department had not had trouble before, and if it did not have in its records this same complaint, and if it did not know that this was 130 miles, I think the gentleman's position would be correct. But when the department knew from its records that it was 130 miles, because of the previous complaint referred to, and after the claimant had said to them, "I will relinquish my contract, because it is 130 miles," and they said, "Yes; we know it is 130 miles, but we can not release you and you will have to forfeit your bond if you do not perform your contract." He then proceeded to perform his contract. The department says the facts as stated by the Senator are correct, and I think the gentleman should allow this bill to pass. The department says that they had in their own files information that it was 130 miles, and that the advertisements on the part of the Post Office Department was a mistake or an error on its part and not on the part of the claimant.

Mr. EATON of Colorado. Mr. Speaker, if there were any equities on behalf of this claimant I would be glad to withdraw the reservation of objection, but there are no equities to this claim, and I therefore object.

JOHN J. FOLEY

The Clerk called the next bill, H. R. 2088, for the relief of John J. Foley.

Mr. EATON of Colorado. Mr. Speaker, I object to the present consideration of this bill.

Mr. COYLE. Will the gentleman reserve his objection?

Mr. EATON of Colorado. I will reserve the objection.

Mr. COYLE. I would like to make an explanation of the equities of this case. John J. Foley had been for some time asking me to introduce a bill, and it looked so bad on the face of it that I refrained from doing it until one day I went to the department and read the record of the court-martial proceedings and made up my mind that John J. Foley had gotten a really raw deal. He appeared before the committee and convinced the committee of his own honesty. After having read the record there was not a statement which he made before that committee which was not in large measure substantiated by the testimony before that court-martial. This man had distinguished military service. He was wounded and sent to military police duty. While on military police duty a man was killed in a brawl in the evening, while he was on official duty, and there being no troops in the area, and he being a part of another detachment, he was tried by court-martial for murder. He was convicted of carelessness in the discharge of his firearms. He should have been promoted and restored to duty. Instead of that, he was given two years in prison and a dishonorable discharge. There are more equities in this case than any similar case that I have ever looked over.

Mr. MAY. Will the gentleman yield for a question?

Mr. EATON of Colorado. I yield.

Mr. MAY. I would like to ask the gentleman from Pennsylvania if it is not a fact that the record testimony in the court-martial proceedings, in addition to the testimony of the soldier himself, corroborates his statement as to how it happened?

Mr. COYLE. It does entirely corroborate it, and the department itself at the time recommended that this man's dishonorable discharge be set aside, and the recommendation miscarried between the office of the Secretary of War and the prison where he was confined.

Mr. EATON of Colorado. Mr. Speaker, my objection to this bill was based upon the fact that the interesting story which we have just heard recounted by the distinguished gentleman from the Committee on Military Affairs did not appear in the record. There is no report from the War Department. There is no report of the court-martial proceeding or any other facts from the War Department upon which a consideration of the report of the committee might be tested. The gentleman states he made the investigation himself; and on account of the distinguished war record of this claimant I will withdraw my reservation of objection.

Mr. BLANTON. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. BLANTON. At the time this claimant was before the gentleman's Subcommittee on Military Affairs, or whatever committee it was, testifying, was a War Department representative there to hear him?

Mr. MAY. Yes; they were.

Mr. BLANTON. Who was the representative of the War Department there?

Mr. MAY. There was a counsellor there. I do not remember who he was.

Mr. BLANTON. Was there any officer designated by the War Department there to hear his testimony and answer it?

Mr. MAY. There was an attorney there.

Mr. BLANTON. I am talking about officers, officials in the War Department.

Mr. COCHRAN of Missouri. That is only practiced in the Committee on Naval Affairs; not in the Military Affairs Committee.

Mr. BLANTON. I am talking about proper practice that should prevail in the Military Affairs Committee when they let private claimants testify there. Any claimant on earth can come before a committee and exercise his personality before the committee and make a favorable impression and unless the department is there represented, in order to answer his testimony, probably the impression that he makes personally on the committee will carry the day for him. It is just like having a witness in court presenting one side

of a case and not having the other side there to present its testimony.

Mr. MAY. Will the gentleman suffer an explanation from a member of the committee who heard the testimony and who was present and made the report on the bill?

Mr. BLANTON. Certainly.

Mr. MAY. I may say to my friend that there was a lawyer there representing the War Department.

Mr. BLANTON. Can the gentleman tell me who he was?

Mr. MAY. I do not remember his name, but he was a major and he cross-examined the witnesses.

Mr. BLANTON. Was he from the Judge Advocate General's office?

Mr. MAY. I believe he was.

Mr. BLANTON. Does the gentleman know?

Mr. MAY. I do not know his name.

Mr. BLANTON. If the gentleman has such an indefinite recollection about the gentleman who represented the War Department, he was not representing the War Department properly at the time or he would have made some impression on the gentleman.

Mr. MAY. He was an attorney.

Mr. BLANTON. The War Department has turned this case down several times.

Mr. COYLE. No; not under my guidance.

Mr. BLANTON. At first this case did not make a favorable impression on my friend, and there was such a time when he refused to introduce the bill because he was not impressed by it. Is not that so?

Mr. COYLE. As I then saw the case it was that of a man dishonorably discharged after a charge of murder.

Mr. BLANTON. But the gentleman was not impressed with it.

Mr. COYLE. Would the gentleman from Texas be impressed with a record of that kind?

Mr. BLANTON. No.

Mr. COYLE. But if the gentleman from Texas had done as I have done he would be convinced, as I am, and would be standing in my shoes here to defend this young man. He certainly got a raw deal. He was not properly defended at the court-martial.

Mr. BLANTON. Mr. Speaker, I agree with the gentleman from Colorado. Neither he nor I have any personal interest in this case at all. Our only interest is to see that the War Department is protected, that the men who enlist in the Army and who perform their duty and are not court-martialed are given a square deal and have better rights than a man who violates the law and is court-martialed. We must protect the Government.

I agree with the gentleman from Colorado [Mr. EATON] that there ought to be a report here from the War Department explaining this case; and it ought to be set forth in this committee report. We ought not to take up a case and pass it through the House without such a report.

Mr. COCHRAN of Missouri. Mr. Speaker, we have spent 20 minutes on this calendar so far and have considered but two bills. At this rate we will only consider 20 bills this evening. I wish gentlemen having bills would get through with them more quickly.

Mr. BLANTON. The gentleman knows how to make them do something. He could demand the regular order. That closes debate.

Mr. COCHRAN of Missouri. Let us get through. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The regular order is, Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I object.

ARTHUR I. NEVILLE

The Clerk called the next bill, H. R. 2157, for the relief of Arthur I. Neville.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Arthur I. Neville, who was a member of Battery B, Three hundred and twenty-fourth Regiment, and Battery A,

Three hundred and twenty-third Regiment, United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 9th day of September, 1919: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

In line 11, page 1, and lines 1 and 2, page 2, strike out the words "pension or allowance shall be held to have accrued prior to the passage of this act" and insert in lieu thereof the following:

"Pension, allowance, or any payment provided under the World War veterans' act, 1924, as amended, the World War adjusted compensation act, 1924, as amended, or other benefit whatsoever to which said person may be or become entitled by law, shall be held to have accrued prior to the passage of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN T. LYNCH, DECEASED

The Clerk called the next bill, H. R. 5140, for the relief of the estate of John T. Lynch, deceased.

Mr. HOPE. Mr. Speaker, I object.

Mr. BARTON. Mr. Speaker, will the gentleman withhold his objection?

Mr. HOPE. I shall be pleased to.

Mr. BARTON. This claim was allowed by the Court of Claims and has been recommended by the committee. I can see no reason for the objection. If the gentleman from Kansas will explain the grounds of his objection, perhaps I can help him to understand it.

Mr. HOPE. This bill is drawn, apparently, on the theory that the Court of Claims has made a favorable finding, but on looking at the findings of fact made by the Court of Claims it appears that they did not make any favorable finding. They did make some findings of fact, but they made no findings that would justify a claim of this kind against the Government of the United States.

The findings of the Court of Claims were that this horse was stolen, apparently, by a soldier who was in the United States military service during the Civil War; then it was found in his possession. It was claimed by the claimant in this case, and the Army officials to whom the complaint was made returned the horse to the claimant.

Later another hearing was held and the horse was returned to the man in whose possession it was found. Now, there is nothing in the findings of the Court of Claims that disclosed on what ground the horse was returned. Later, after the discharge of the party in whose possession the horse was found, the claimant in this case brought a suit in replevin, which action was later dismissed by lack of prosecution by the plaintiff.

Now, if the claimant in this case had any claim, it was not against the United States Government, it was against the party in whose possession the horse was found and who took the horse home with him after the war. The fact he filed that suit indicated that he thought the claim was against the party in whose possession the horse was found; and the fact that he did not prosecute the claim was, of course, laches on his own part if it was a good claim. Under this situation I must object.

Mr. BARTON. Let me explain. In the first place—

Mr. STAFFORD. I hope the gentleman will not take much time. Here we are considering an old Civil War claim with only \$150 involved.

Mr. BARTON. The Court of Claims did not render any judgment against the United States. It could not do that by virtue of its jurisdiction. The United States got the horse. That is the finding of the Court of Claims. The United States having got the horse the claimant could not recover on the replevin after the war was over.

This man is short a horse and the Court of Claims certified the amount was justly due and the committee has recommended it. The War Department does not object to it; in fact, the department says, in substance, that it is all right to pay the claim if it has not been paid. The Comp-

troller General says it has not been paid. That is all I have to say about it. I really think it is just.

Mr. BLANTON. During the Civil War there was a lot of cotton confiscated and used by the Government which has never yet paid any of the owners anything for it.

Mr. MILLER. Mr. Speaker, I demand the regular order.

Mr. BLANTON. If the gentleman is going to demand the regular order, I am going to object. We are not going to pass any bill 68 years old, Mr. Speaker, without discussing it.

Mr. MILLER. I do not want to pass it, but I want to make this statement: I am advised that to-night will be the only Private Calendar night, and I am going to demand the regular order to dispatch as many bills as possible.

Mr. BLANTON. I want to ask the gentleman this question: Is the claimant who lost that horse still alive?

Mr. BARTON. He is not. I knew him well.

Mr. BLANTON. You say he is not alive?

Mr. BARTON. He is not alive.

Mr. BLANTON. Well, we are not going to pass any 68-year-old Civil War claims here to-night for dead people. There are too many with just claims still alive.

Mr. Speaker, I object.

FRED G. CLARK CO.

The Clerk called the next bill, H. R. 5361, for the relief of the Fred G. Clark Co.

Mr. STAFFORD. Mr. Speaker, I object.

LIZZIE PITTMAN

The Clerk called the next bill, H. R. 11194, for the relief of Lizzie Pittman.

Mr. HOLLISTER. Mr. Speaker, reserving the right to object, I would like to ask the sponsor of this bill if he would be willing to have an amendment inserted "in full settlement of all claims against the Government"?

Mr. HILL of Alabama. That would be perfectly satisfactory.

Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill (S. 4327).

There being no objection, the Clerk read the Senate bill, as follows:

S. 4327

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized to pay to Lizzie Pittman, out of any money in the Treasury not otherwise appropriated, the sum of \$250 for damages to her person by an airplane belonging to the Government.

Mr. HILL of Alabama. Mr. Speaker, I offer an amendment striking out "\$250" and inserting "\$350," which is the same amount as that carried in the committee amendment to the House bill.

The Clerk read as follows:

Amendment by Mr. HILL of Alabama: In line 5, strike out "\$250" and insert in lieu thereof "\$350."

The amendment was agreed to.

Mr. HOLLISTER. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment by Mr. HOLLISTER: In line 5, after "\$350," insert "in full settlement of all claims against the Government."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 11194) was laid on the table.

FRANCES O. SPERRY

The Clerk called the next bill, H. R. 2045, for the relief of Frances O. Sperry.

Mr. HOLLISTER. Mr. Speaker, I object.

Mr. CELLER. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. HOLLISTER. I will be pleased to reserve the objection to hear what the gentleman has to say.

Mr. CELLER. I realize there has been an unfavorable report by the bureau in question here, the Bureau of Mines, but I hope the gentleman will not be solely guided by the

report of the department. There are a number of eyewitnesses and a number of disinterested witnesses to this accident.

It would appear that the woman was in a taxicab going north on Thirteenth Street at the intersection of Florida Avenue, and a Bureau of Mines coal truck was going in a directly opposite direction, both the truck and the car reached the intersection at about the same time and the truck took a left turn to go into Florida Avenue, endeavoring to cross in front of the taxicab, the taxicab desiring to proceed directly on its way. There is an ordinance, and there was an ordinance at that time, operative to the effect that automobiles at any intersection when making right or left-hand turns must stop and give right of way to through traffic.

The disinterested eyewitness to this accident testified that the truck of the Bureau of Mines failed to abide by this ordinance, gave no signal whatever, and in addition, made a sharp left turn, endeavoring to cut off the taxi without warning; and furthermore in disregard of a stop signal which was also on the corner of Florida Avenue and Thirteenth Street. In addition, the taxi was about to make a hill, there being a very steep incline at this point and the taxi driver naturally had to do everything possible to go up this hill. The truck was coming down the hill so that common caution or common prudence would have dictated to the driver of the truck that he should be extra vigilant of the rights of others at this particular crossing.

Mr. HOLLISTER. I do not want to interrupt the gentleman, but he has only stated what is in the report.

Mr. BLANTON. Will the gentleman yield for a suggestion?

Mr. HOLLISTER. Certainly.

Mr. BLANTON. The gentleman from New York is a distinguished lawyer and knows that the woman riding in this Diamond taxicab has a primary cause of action against the taxicab company, because the taxicab company is responsible to the woman for safe transportation.

Mr. BACHMANN. In addition to that, they carry proper insurance to protect the people riding in their cabs.

Mr. BLANTON. Yes; this company carries large insurance for the protection of its passengers and this woman ought to go into court and sue the company and get her rights.

Mr. CELLER. If the gentleman will wait just a moment and listen to reason instead of that which is furthest from reason—

Mr. HOLLISTER. I do not want to interrupt the gentleman, but he has not yet said anything that is not in the report.

Mr. EATON of Colorado. Mr. Speaker, I ask for the regular order.

Mr. BLANTON. Is the gentleman going to object?

Mr. HOLLISTER. I shall object if the regular order is demanded. I will be glad to listen to the gentleman if the regular order is not demanded, because I have not yet heard anything that clears this up.

Mr. EATON of Colorado. Mr. Speaker, I demand the regular order.

Mr. HOLLISTER. Then I object.

Mr. CELLER. I make the point of no quorum.

Mr. COCHRAN of Missouri. The gentleman ought not to do that. He has been explaining his bill for five minutes.

Mr. CELLER. Will the gentleman allow me to explain further?

Mr. EATON of Colorado. I will reserve calling for the regular order for two minutes, to allow the gentleman to explain.

Mr. CELLER. If the gentleman will look at the record he will find that the Bureau of Mines truck was followed by a machine whose occupant testified before the corporation counsel to the effect that the truck made a sharp turn without warning, and he made a remark to the man sitting on the seat with him that he was surprised that there would be no accident if this man continued on the way as fast as he was going.

There was also a bystander on the corner who testified to the same thing.

Mr. HOLLISTER. Did the truck run into the cab or the cab into the truck?

Mr. CELLER. The Bureau of Mines truck ran into the taxicab. The left front wheel of the Bureau of Mines truck struck the left wheel of the taxicab.

Now, in answer to the gentleman from Texas, who is a good lawyer, he knows that if a person should bring suit against the taxicab company it can be defeated by proving that someone else was to blame for the accident. In a suit brought against the taxicab company, in light of the testimony, it would be useless, because of the negligence of the Bureau of Mines truck.

Mr. BLANTON. The Government was not responsible at all.

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

Mr. HOLLISTER. I object.

RUBY F. VOILES

The Clerk read the next bill on the Private Calendar, H. R. 4154, for the relief of Ruby F. Voiles.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. I object.

MRS. J. A. JOULLIAN

The Clerk read the next bill on the Private Calendar, H. R. 4854, for the relief of Mrs. J. A. Joullian.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. Reserving the right to object, there ought to be some explanation of this bill. If the author is not present, I object.

WITHYCOMBE POST, NO. 11, AMERICAN LEGION, CORVALLIS, OREG.

The Clerk read the next bill on the Private Calendar, H. R. 5214, for the relief of Withycombe Post, No. 11, American Legion, Corvallis, Oreg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$957.78 to the Withycombe Post, No. 11, American Legion, of Corvallis, Oreg.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACOB DURRENBERGER

The next business on the Private Calendar was the bill (H. R. 6759) for the relief of Jacob Durrenberger.

The SPEAKER pro tempore. Is there objection?

Mr. HOLLISTER. I object.

RELIEF OF JERSEY CITY, ETC.

The next business on the Private Calendar was the bill (H. R. 7324) for the relief of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. If the gentlewoman from New Jersey [Mrs. Norton] desires to make some remarks in respect to the bill, I shall reserve the objection for five minutes. Of course, we can not let this bill pass. It seeks to appropriate the huge sum of \$62,340.65, but I think that the gentlewoman from New Jersey should be permitted to make an explanation of the bill; but when she has done that I shall object, for this \$62,340.65 should not be taken out of the Treasury, as I am convinced that the claim is not just.

Mrs. NORTON. Mr. Speaker, I am very sorry to hear the gentleman say that the bill can not pass, because it is a very just claim and should have been settled many years ago. Under date of February 20, 1908, the Erie Railroad Co. entered into an agreement with Jersey City for a water supply for a period of 25 years. The rate to be charged by the city and paid by the Erie Railroad Co. under said agreement was 60 cents per 1,000 cubic feet. Embodied

in said agreement, and made part thereof, was the following article:

If at any time during the term of this agreement the city shall furnish water to any person or corporation for use in the city of Jersey City on more favorable terms or at a lower rate than herein provided, the Erie Co. shall have the benefit of such terms or rate, provided that this clause shall not apply to rates on water furnished for city or county purposes or to charitable corporations.

Under date of November 10, 1909, the Delaware, Lackawanna & Western Railroad Co. entered into an agreement for a water supply for a period of 25 years. The water furnished under this agreement was to be delivered to the railroad company pipe lines at Secaucus, N. J., and such water was to be used only by the railroad company at its Secaucus terminal in Secaucus, N. J., and its terminal in the city of Hoboken, N. J. The rate to be charged and paid by the railroad company was 45 cents per 1,000 cubic feet. And this claim is based upon the difference between 45 cents and 60 cents per 1,000 cubic feet.

I think I may say that the committee unanimously agreed that the claim is a proper one. The only question that seemed to arise in the mind of anybody was why we did not press this claim sooner.

Mr. BACHMANN. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. Yes.

Mr. BACHMANN. It seems that the claim was never presented under the act passed permitting those claims to be presented within a certain definite period under legislation already enacted. Why did not the city of Jersey City present its claim before it was barred by the act that was passed?

Mrs. NORTON. I am glad the gentleman asked that question. It was impossible for the city to submit a bill for a sum certain on account of water supplied to the Erie Railroad Co. during the period of Federal control. Obviously the amount was not liquidated until the settlement between the city and the railroad company, which was made in the year 1928, six years after the time set for the presentation of all claims against the Railroad Administration. If the Erie Railroad Co. was right in the litigation that was started between itself and the city and had only to pay the 45-cent rate, then the United States of America would owe the city nothing for water furnished to the railroad company during the period of Federal control. On the other hand, if the city was right, and the higher rate prevailed, as indeed it did and should have prevailed, then the United States Government would owe the city and does owe the city the amount of money set forth, representing the difference between the 45-cent rate paid and the 60-cent rate as set out in the original contract, which should have been paid.

Mr. BLANTON. Why is it that in the contract which Jersey City entered into with the Erie Railroad it did not mention this claim. It mentions no claim whatever against the United States. Here is the complete contract in the report dated June 30, 1928. It provides for water rates but in no way mentions any claim against the Government.

Mrs. NORTON. The reason for that is that the claim had not been settled. It was a matter that was in litigation at the time.

Mr. BLANTON. Certainly in a contract with each other on that date, June 30, 1928, if there had been any claim against the Government based on transactions in 1917 and 1918, it would have been mentioned in that contract.

Mrs. NORTON. In view of the pending litigation and until such litigation had been concluded, whether or not a claim against the United States of America or the railroad company actually existed, we could not possibly have put in a claim because of the pending litigation and until such litigation had been concluded, whether or not a claim against the United States or the Railroad Administration actually existed.

Mr. BLANTON. I think it ought to have been mentioned in this long contract that provided for all other matters, of date as late as June 30, 1928. I am compelled to object, as

this bill would take the huge sum of \$62,340.65 out of the Treasury.

Mr. BACHMANN. Does not the gentleman think that if there is any merit in this claim at all it ought to first go to the Comptroller General of the United States, to find out what is involved in it?

Mr. BLANTON. It was introduced at first for \$96,629.45. It has been reduced to \$62,340.65. In no report from any Government department is there any evidence of probative force and effect to establish this as a just claim against the Government.

Mr. BACHMANN. You can not tell from looking at this what is involved in the claim.

Mr. BLANTON. No. And I must object, Mr. Speaker. This bill must not be passed.

K. S. SZYMANSKI

The Clerk called the next bill, H. R. 8189, for the relief of K. S. Szymanski.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOLLISTER. Mr. Speaker, I object.

NATIONAL BANK OF COMMERCE, EL DORADO, ARK.

The Clerk called the next bill, H. R. 8215, for the relief of the National Bank of Commerce, El Dorado, Ark.

Mr. STAFFORD. Reserving the right to object, if I had known that this postmaster was such a wholesale crook and that he had been perpetrating this practice on so many banks in the neighborhood where he had his post office, I would have objected to the first bill under consideration. Will the gentleman who is the author of the bill advise whether the two bills previously passed have been recommended by the Senate committee?

Mr. PARKS. I have just been told that the Senate committee had recommended both of them for passage. The very fact that he had done a wholesale business and the Government permitted it to go on for months and months, is the reason I thought the claim should be paid.

Mr. STAFFORD. The argument that the gentleman advanced did not appeal to me, for this reason: From my personal experience with the operation of the Government in the inspection of these offices, it is usually a year sometimes before they are examined. I feel almost constrained to object, Mr. Speaker.

Mr. PARKS. I hope the gentleman will not object. Permit me to say this to the gentleman, that I know he would not do anybody an injustice willfully. These bills I went into very carefully for a long time. It is the only private bill I have ever offered.

Mr. STAFFORD. Oh, that does not affect me at all.

Mr. PARKS. Oh, yes; I think it will.

Mr. STAFFORD. Not at all.

Mr. PARKS. I really believe the gentleman will agree that the equities are with these people, and they ought not be denied this relief.

Mr. STAFFORD. I only withdrew the objection on the statement of the gentleman from West Virginia [Mr. BACHMANN].

Mr. BACHMANN. Will the gentleman discuss it on the merits first? The objection of the gentleman from Wisconsin [Mr. STAFFORD] is on the merits.

Mr. STAFFORD. My fundamental objection is that the bank was put on notice that the issuance of these money orders was out, of course. They were drawn on a bank. That was not in the regular order of business. The bank might have known that they were not in regular course.

Mr. BACHMANN. You can not take a money order and tell on its face whether it has been regularly issued or not.

Mr. STAFFORD. Oh, yes. When a postmaster draws a money order on a bank, as these were drawn, it was a patent fraud. The reason I withdrew my objection in the other case was that the amount was small and the gentleman stated there were other money orders that were deposited payable to patrons in general, but when these amounts run into thousands of dollars, the bank must have known.

Mr. BACHMANN. Do not people all over the United States recognize a money order as being negotiable, and that the United States Government stands back of it?

Mr. STAFFORD. Not when the money order is drawn on the bank itself. The bank should have known that the money order was for the purpose of deposit.

Mr. KVALE. Most people do not think of that.

Mr. STAFFORD. Oh, most people do not think of that, but banks should.

Mr. PARKS. There were millions and millions of dollars being handled at that time, because it was one of the greatest oil fields that had come in in the United States. These banks were handling millions of dollars, and they were undertaking to protect themselves against bad checks. This man was a little merchant who lived 20 miles from there and he issued these money orders to various people who were neighbors there. They thought that was a means of protecting themselves. There was not anything on earth irregular about it. This was not simply a neighborhood transaction.

Mr. STAFFORD. I withdrew the objection before. I will enter a provisional objection now for the benefit of those who succeed me, that if these bills pass the Senate and are vetoed by the President, there will be someone here next Congress, I hope, to object to them.

I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$3,904.16 to the National Bank of Commerce, El Dorado, Ark., in full settlement against the Government, for money that was paid to Joe F. Tullis, who was postmaster at Upland, Union County, Ark., on post-office money orders deposited in said National Bank of Commerce at different times and for different amounts, aggregating \$3,904.16, which money orders were cashed by said bank, and which had been fraudulently issued by the postmaster without the knowledge of said bank that they were fraudulent. All of said money orders were paid by the Government and the money was subsequently refunded by said bank.

With the following committee amendment:

At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FIRST NATIONAL BANK, EL DORADO, ARK.

The Clerk called the next bill, H. R. 8217, for the relief of the First National Bank, El Dorado, Ark.

Mr. BLANTON. Reserving the right to object, I want to ask the gentleman from Arkansas [Mr. PARKS] a question. This is the second bill we have had here to-night for the Government to make good forged money orders.

Mr. PARKS. Oh, no; not forged.

Mr. BLANTON. Well, fraudulent. Practically the same thing.

Mr. PARKS. No. There is quite a difference.

Mr. BLANTON. Well, when a postmaster issues a money order without authority of law it is, in effect, a forgery on the Government.

Mr. PARKS. No; the gentleman is wrong on that. I looked into the legal status of that very carefully.

Mr. BLANTON. What I want to know is what has been done with this postmaster who has been stealing from the Government?

Mr. PARKS. There was only one, and they sent him to the penitentiary for a year. He only had a \$1,000 bond, and they collected it.

Mr. BLANTON. The Government collected \$1,000 in this case?

Mr. PARKS. The Government collected \$1,000 on his bond for the whole thing. I do not know on which particular case it was. Both these cases grow out of the derelictions of the same postmaster.

Mr. BLANTON. The same thing.

Mr. PARKS. And he went to the penitentiary for a year.

Mr. BLANTON. Was he pardoned out?

Mr. PARKS. No; he served his time. This was a Federal offense which they do not pardon like they do State offenses.

Mr. BLANTON. The next one should be sentenced to 10 years.

Mr. PARKS. That is what should have been done with this one.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$720.13, to the First National Bank, El Dorado, Ark., in full settlement against the Government for money that was paid to Joe F. Tullis, who was postmaster at Upland, Union County, Ark., on post-office money orders deposited in said First National Bank, El Dorado, Ark., at different times and for different amounts, aggregating \$720.13, which money orders were cashed by said bank, and which had been fraudulently issued by the postmaster without the knowledge of said bank that they were fraudulent. All of said money orders were paid by the Government and the money was subsequently refunded by said bank.

With the following committee amendment:

At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. PATTERSON. Mr. Speaker, I move to strike out the last word. Is this the last bill growing out of this matter?

Mr. PARKS. It is the last bill; and I think it is the last private bill I will ever introduce.

Mr. PATTERSON. It is the last of these postmasters' bills?

Mr. PARKS. Yes.

Mr. BLANTON. The gentleman is not going out, is he?

Mr. PARKS. I do not know; I can not tell.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

INGENIO PORVENIR C. POR A.

The Clerk called the next bill, H. R. 9339, authorizing the Court of Claims to hear and determine the claim of Ingenio Porvenir C. por A., and to render judgment for just compensation.

Mr. GRISWOLD. Mr. Speaker, I object.

OSCAR F. LACKEY

The Clerk called the next bill, H. R. 9862, for the relief of the estate of Oscar F. Lackey.

Mr. BLANTON. Mr. Speaker, reserving the right to object, there ought to be a supplemental report in this case.

Mr. MILLER. Here is the supplementary report.

Mr. BLANTON. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Lackey Combs, of Riderwood, Md., as executrix of the estate of Oscar F. Lackey, deceased, the

sum of \$1,500, representing the amount appropriated for said Oscar F. Lackey as compensation by the act approved February 18, 1913 (37 Stat. 1372), for injuries received by him on November 21, 1905, while employed as assistant engineer in construction of the Panama Canal, which amount was not claimed by or paid to him during his lifetime. Such payment to said Mary Lackey Combs, as executrix, shall be in full satisfaction of all claims against the United States of the estate of said Oscar F. Lackey for such injuries received by him.

With the following committee amendment:

Strike out all after the enacting clause, page 1, line 3, down to and including line 6, on page 2, and insert the following:

"That the Comptroller General of the United States be, and is hereby, authorized to adjust and settle the claim of Mary Lackey Combs, of Riderwood, Md., as executrix of the estate of Oscar F. Lackey, deceased, for \$1,500 and to allow said claim under the appropriation made by the act of February 18, 1913 (37 Stat. 1372), for payment to the deceased for injuries received on November 21, 1905, while in the employ of the Isthmian Canal Commission as assistant engineer in the construction of the Panama Canal, he having died without receiving said amount: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. BACHMANN. Mr. Speaker, I move to strike out the last word. I want to call the attention of the Members of the House to this claim. It is of many years' standing, in fact, dating back to 1905. The Government is not protected against interest on this old claim for that length of time. I would like to ask the gentleman from Texas if he knows whether or not interest could be collected if there is no further provision put in this bill preventing it.

Mr. BLANTON. There ought to be a provision stating that this amount is in full settlement of all claims against the Government of the United States. That would cut off everything.

Mr. BACHMANN. As I read the bill it is not in full settlement of all claims against the Government of the United States. Some of these days some one will introduce another bill to collect interest, we having recognized the claim.

Mr. BLANTON. I suggest the gentleman offer that amendment.

Mr. BACHMANN. I think it ought to be made in full settlement of all claims against the Government of the United States.

Mr. COCHRAN of Missouri. That is in there on page 2.

Mr. BACHMANN. I must confess I do not see it in the bill.

Mr. MILLER. It is in the committee amendment.

Mr. BACHMANN. The committee amendment does not cure the bill.

Mr. PATTERSON. The words "in full settlement of all claims against the Government of the United States" are not in there. I suggest that the gentleman offer that amendment.

Mr. BACHMANN. Mr. Speaker, I offer the following amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BACHMANN to the committee amendment: Page 2, line 10, after "\$1,500," insert the following: "*Provided*, That such payment to said Mary Lackey Combs, as executrix, shall be in full satisfaction of all claims against the United States of the estate of said Oscar F. Lackey, for such injury received by him," and after the word "*Provided*," in line 16, insert the word "*further*."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. BRUMM. Mr. Speaker, my attention was called to another bill when Calendar No. 778, which I reported upon,

was called, and I did not hear it. I ask unanimous consent to return to it.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to call the gentleman's attention to the fact that the Government report in that case was that the driver of the truck was not in fault in any way.

Mr. BRUMM. I admit that.

Mr. BLANTON. He was not driving the truck over 15 miles an hour. A woman with little children started across the street, and he swung out to keep from hitting them. This man stepped off the sidewalk, made several false starts, and finally got struck and his leg was injured. This bill seeks to pay him \$5,000, which is the full amount we pay for death claims.

Mr. BRUMM. I am not talking about the amount. The gentleman has made a complete case which would stand in any court in Christendom.

Mr. BLANTON. I doubt it.

Mr. BRUMM. I do not agree with the gentleman. It is an old, well-established principle of the common law that where two parties are negligent and a third party is injured, the one who commits the tort is, constructively, negligent. This man should recover in any court in the world.

Mr. BLANTON. In the case of the Texas & Pacific Railway Co. against Harris, which went to the Supreme Court of Texas, and lots of decisions from other States, they held that where a man deliberately walked into danger and got struck, the corporation is not responsible.

Mr. BRUMM. But that is not this case. I think it clearly just the opposite.

Mr. BLANTON. The man stepped off the sidewalk when this truck was turning to the right of this woman and child to avoid killing them.

Mr. BRUMM. Will the gentleman let me state the facts?

Mr. BLANTON. I am stating the Government facts to the gentleman. The department says that the Government was in no way to blame.

Mr. BRUMM. I am giving the gentleman the facts as I have learned them.

Mr. BLANTON. I object to going back, Mr. Speaker. If my friend wants to make a statement, that is perfectly all right, but I am going to object.

Mr. BRUMM. I want to get the statement on the record. Here was a mail truck driving down the street, in the middle of the street, and a man was about to leave the curb. He was in perfect safety if the truck had continued on its course, but at that minute a woman with a baby appeared in the middle of the street in front of the truck and to save the life of the baby and the woman he turned deliberately into the course of this man who was in his proper place at a crossing. This is constructive negligence and there can be recovery, I maintain, in any court in Christendom, if such facts are made out.

Mr. BLANTON. Here is what the department says:

A clerk, W. C. Miller, of Carson Station, had been sent with the truck and was riding on the seat with Subcarrier Wolfe, and he witnessed the entire occurrence. He stated that the driver made every effort to avoid striking either the woman and child or the man.

Mr. BRUMM. He jammed on the brakes.

Mr. BLANTON. He did everything he could to avoid an accident.

Mr. BRUMM. Sure; but that is constructive negligence and the innocent party was hurt.

Mr. BLANTON. The man hurt had made three false starts, and it was his own indecision and bad judgment that caused him to be hurt.

Mr. BRUMM. The gentleman would have made two or three or a dozen if he thought a truck was going to run over him. What has that to do with the proposition?

Mr. BLANTON. Mr. Speaker, I object.

ADELPHIA BANK & TRUST CO. OF PHILADELPHIA

The Clerk called the next bill, H. R. 10169, authorizing adjustment of the claim of the Adelpia Bank & Trust Co. of Philadelphia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Adelpia Bank & Trust Co. of Philadelphia for refund of a fee of 1 per cent collected by the clerk of the United States District Court for the Eastern District of Pennsylvania on \$85,000, the face value of securities temporarily deposited by said company with the clerk pending the filing of an increased surety bond required by the court from the bank as depository of funds in bankruptcy estates, said fee having been covered into the general fund, Treasury of the United States, as a miscellaneous receipt, and to allow said claim in an amount not to exceed \$850. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$850, or so much thereof as may be necessary, for the payment of this claim.

With the following committee amendment:

At the end of line 9, on page 2, insert the following: "such sum to be in full settlement of all claims against the Government of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 10406, for the relief of the Allegheny Forging Co.

Mr. EATON of Colorado and Mr. KELLY of Pennsylvania rose.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, how much time does the gentleman from Pennsylvania want?

Mr. KELLY of Pennsylvania. I would like to have about two minutes, Mr. Speaker. This bill was introduced by my colleague, the gentleman from Pennsylvania, Mr. SULLIVAN, who is unable to be here.

I have given the claims some attention, and I believe this bill and the two following are bills that are just claims. The Allegheny Forging Co., a reputable industrial enterprise, had the right to expect that the War Department would deal with it on an ethical and proper basis. I do not believe this was done.

Mr. BLANTON. Why did not my friend furnish a report from the War Department?

Mr. KELLY of Pennsylvania. I am sorry, but I did not have anything to do with a report from the War Department.

Mr. BLANTON. It ought to be understood that before private bills are passed here on this floor under unanimous consent there must be a report from the department, either allowing it or turning it down.

Mr. KELLY of Pennsylvania. The gentleman from Pennsylvania, Mr. BRUMM, I believe, made the report, and I am sure went into this claim very carefully.

Mr. BLANTON. I notice several reports here made by our friend the gentleman from Pennsylvania [Mr. BRUMM] that do not contain reports from the department. We can pass on these matters much better if we have reports from the department involved.

Mr. BRUMM. In these cases, from the very nature of things, they can not be reported on by the department without acknowledging their own error.

Mr. BLANTON. But we want a report from the department, and as long as I am a Member of Congress these bills are not going to pass unless there is such a report.

Mr. PITTENGER. Will the gentleman yield?

Mr. BLANTON. Is the gentleman in favor of having a report from the department in these cases?

Mr. PITTENGER. I think my colleague is correct, and that there ought to be such a report.

Mr. BLANTON. Certainly.

Mr. PITTENGER. I want to call the gentleman's attention to this case. The gentleman told me he would not be here to-night.

Mr. BLANTON. Oh, I did not; and the gentleman knows I did not. I told the gentleman I was going to be here. The gentleman said he hoped I would not be here, but I told him he had another hope coming to him and that I would be here. I am always here every time we have a call of the Private Calendar, and all other calendars.

Mr. PITTENGER. The gentleman is quite correct. The gentleman from Arkansas [Mr. MILLER], a member of the committee, has a copy of the report that my colleague would like to know about.

Mr. BLANTON. And it turns the claim down, does it not? Does the report turn the claim down or approve it?

Mr. MILLER. If the gentleman will yield to me, I will tell him.

Mr. BLANTON. Does it turn it down?

Mr. MILLER. I have just got it.

Mr. BLANTON. The gentleman does not know anything more about it, then, than I do?

Mr. MILLER. If the gentleman will yield, I think I can explain it.

Mr. EATON of Colorado. Mr. Speaker, I yielded for the gentleman from Pennsylvania to make a statement. If the gentleman is not going to be permitted to make a statement, I am going to object.

Mr. KELLY of Pennsylvania. I want to make one statement only. I believe this committee ought to recognize the fact that the War Department and other departments of the Government should be compelled to follow the business practices that are followed by reputable business enterprises in the United States. They sent out an offer to the Allegheny Forging Co. to sell certain steel, and the Allegheny Forging Co. accepted the offer and sent a 10 per cent check.

It specified gross tons and the check was sent in on that basis. Then the department insisted that net tons were meant.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. BLANTON. If the departments of the Government were to approve all of the private bills introduced in Congress, you could not collect enough money in taxes from the people to pay them all.

Mr. KELLY of Pennsylvania. That is not the question here. What I have said applies to the two following bills.

Mr. EATON of Colorado. There is no report here from the department as to what the facts are.

Mr. MILLER. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. MILLER. The clerk of the committee advises me that he has just received these reports from the War Department. The War Department does not recommend the passage of the bill. The War Department says that the steel was delivered at the stipulated price, and the War Department is not aware of any change that was made, and the department decides that the claim is not a valid one.

Mr. KELLY of Pennsylvania. There are two references in the record where gross tons were specified.

Mr. BLANTON. I object.

THE ALLEGHENY FORGING CO.

The Clerk read the next bill on the Private Calendar, H. R. 10407, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I object.

Mr. EATON of Colorado. And I object also for the same reason that I gave in the former bill.

The Clerk read the next bill on the Private Calendar, H. R. 10408, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. I object.

AUGUSTA BURKETT

The Clerk read the next bill on the Private Calendar, H. R. 10621, for the relief of Augusta Burkett.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. Reserving the right to object—

Mr. KLEBERG. I want to say that this does not cost the Government any money, it simply waives the limitation of the workmen's compensation act. All this poor woman had was her husband, and she was deprived of this good man by an accident while in the performance of his duty.

The fact is that, in the limited time which occurred between the accident and the passage of the compensation act on September 29, 1916, and the accident occurred September 7, 1915, a few days over a year from the passage of the act, she had no information concerning it. All in the world this bill asks is to permit a waiver of the limitation.

Mr. KLEBERG. I hope this will be the exception.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. KLEBERG. Yes.

Mr. COCHRAN of Missouri. The gentleman can talk all night if he wants to, but there are men here who have not let a bill of this kind pass in this Congress. They have objected to two similar bills of mine, and they will not let a bill pass where an accident occurred prior to the date of the passage of the employees' compensation act. It is useless to try to make them do it.

Mr. KLEBERG. I hope this will be the exception.

Mr. BACHMANN. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. I object.

AUGUSTUS THOMPSON

The next business on the Private Calendar was the bill (H. R. 10973) for the relief of Augustus Thompson.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

Mr. BLACK. Mr. Speaker, will the gentleman withhold his objection?

Mr. BACHMANN. Yes.

Mr. BLACK. This is the case of a former member of the Capitol police. He fell on the steps over here and was severely injured. There is medical testimony as to the extent of the injury and there is a report of the Capitol police as to the occurrence.

Mr. BACHMANN. In going over this bill I saw that he was a member of the police force, and I wanted to be sure whether there was any moral obligation on the part of the Government to pay this claimant \$5,000.

Mr. BLANTON. Oh, this is not a death claim. It ought to be cut down very materially, at least to \$1,000.

Mr. BACHMANN. I had that in mind, I will say to the gentleman from Texas, and there is another thing connected with the claim. You can go all through this report, and you can not find any eyewitness to this accident. You can not find anybody who investigated it. There is nothing but the statement of the officer himself that he fell on the steps.

Mr. BLANTON. And one doctor happened to see him on one day when he went to the hospital.

Mr. BLACK. I think in view of the lack of overwhelming evidence in favor of this man the claim should be cut down. I am willing to cut the claim down.

Mr. BLANTON. Is the gentleman willing to agree to cut it down to \$1,000?

Mr. BACHMANN. I still think that is too much without further evidence.

Mr. BLANTON. Of course if the man was hurt under the circumstances that he details, the Government ought to pay him about \$1,000. If he was not hurt in that way, the Government does not owe him one cent.

Mr. BLACK. Here is the report from the Capitol police:

UNITED STATES CAPITOL POLICE,
Washington, D. C., April 14, 1932.

HON. LORING BLACK, JR.,

House of Representatives, Washington, D. C.

DEAR SIR: In line with your request of this date, we are pleased to advise that the daily report sheet for the Capitol police department (House Office Building) for Thursday, February 27, 1930, carries the following statement:

"A. Thompson fell down steps leading from second floor to first floor. Injured leg."

We trust the above information from the records will meet with your approval.

Very respectfully yours,

P. H. CROOK, Lieutenant in Charge.

Mr. BACHMANN. There it is, just an injured leg. It does not say that the leg was broken. It does not say what was wrong with the steps. Thousands of people go down those steps in the course of a year.

Mr. BLACK. The medical testimony schedules all of the injuries.

Mr. BACHMANN. The man had a hernia. That was not caused by his fall on those steps, at least there is nothing in the report to show that it was. He had nephritis, and that surely was not caused by the fall on the steps.

Mr. BLACK. The gentleman can probably rightfully question items 2 and 3, but there is a fracture caused by a fall in the Capitol Building on February 27, 1930.

Mr. BLANTON. This man claims that he was taken to police headquarters. Surely he ought to produce some proof from some policeman about the transaction.

Mr. BACHMANN. There is no evidence here of anyone who picked him up, no evidence that a policeman was there. And you can not tell from this claim whether there was or not. You can not tell whether or not the Government has any responsibility or not. It may be that the Government is responsible. If it is, and somebody can prove that responsibility, I am willing to let the claim go through.

Mr. BLACK. I know how the gentleman feels about these things. One gentleman the other night said something about the fact that we did not have a cross-examination of a witness. We can not have a trial. We do the best that we can. For that reason I am willing to cut down this claim.

Mr. BLANTON. There ought to be a cross-examination.

Mr. BACHMANN. If the hospital report would show that he was confined in the hospital for seven months on account of a broken leg, I might take a different view of the case; but this man has other disabilities, permanent disabilities. How can we tell? Unless there is an agreement for an amendment reducing this to \$1,500 I would be compelled to object.

Mr. BLACK. I will agree to the \$1,500.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That there shall be paid out of the contingent funds of the House to Augustus Thompson, a former member of the House Office Building police force, the sum of \$5,000 in full payment on account of personal injuries sustained by said Augustus Thompson in the House Office Building on February 27, 1930, while in the discharge of duty.

With the following committee amendments:

In line 6 on page 1, strike out the word "payment" and insert in lieu thereof "settlement of all claims against the Government of the United States"; in line 9, after the word "duty," insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

Mr. BACHMANN. Mr. Speaker, I offer an amendment.

Mr. BLANTON. Before the gentleman offers the amendment, I have just received a report that this man served for 30 years on the metropolitan police force, and he was retired on account of disability, and retired pay of one-half his

salary is now being paid. That report has just been sent to me.

Mr. BACHMANN. That is prior to this trouble?

Mr. BLANTON. Yes; he was retired for disability before the accident.

Mr. STAFFORD. Then if he is retired he is receiving a pension to-day.

Mr. BLANTON. So that amendment should be not over \$1,000 at most.

Mr. BACHMANN. Mr. Speaker, I offer the following amendment: On line 5, after the word "of," strike out "\$5,000" and insert in lieu thereof "\$1,000."

Amendment by Mr. BACHMANN: On page 1, line 5, strike out "\$5,000" and insert in lieu thereof "\$1,000."

Mr. BLACK. Mr. Speaker, I rise in opposition to the amendment. Heretofore when agreements like this have been made they have generally been kept. It may be that between the time of the agreement and the action on the bill additional information may come to either side. Heretofore I have kept all agreements as far as the committee was concerned. I am rather hoping the gentleman from West Virginia will see fit to keep the arrangement that was made.

Mr. BACHMANN. Let us be fair as to what happened. I had intended to offer an amendment reducing the amount to \$1,500, but when the gentleman from Texas [Mr. BLANTON] called attention to the fact that this man is now receiving pay as a retired member of the Washington police force, and with no substantial evidence here, if I had not entered into the agreement, I would have objected to the passage of the bill.

Mr. BLANTON. This man served 30 years on the Metropolitan police force and was retired on half pay on account of disability before the accident.

Mr. BACHMANN. I am willing to offer an amendment making it \$1,000. If the gentleman does not want that, let us let the House vote on it.

Mr. BLACK. Oh, I make no point of it.

Mr. BACHMANN. I do not want to have it said that I am not keeping any agreements here. The gentleman from Texas produced additional evidence which, if I had had it before, I would not have permitted the bill to pass at all.

Mr. BLACK. I am not charging that, but I do hope that hereafter we will not produce additional evidence on either side.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from West Virginia [Mr. BACHMANN.]

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANKLIN SURETY CO.

The Clerk called the next bill, H. R. 11095, for the relief of the Franklin Surety Co.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I have considerable doubt about this bill. I do not think this bill ought to pass unless some Member can make some explanation of it. The amount of this claim is \$11,725, and it is too large to pass here on the Private Calendar, without more evidence than is contained in this committee report.

Mr. BLANTON. I think the gentleman ought to object to it.

Mr. KVALE. Will the gentleman reserve his objection?

Mr. BACHMANN. I will be glad to reserve the objection.

Mr. KVALE. Mr. Speaker, I know nothing more about this matter than is included in the report offered by the gentleman from Indiana, who is not present this evening, but it seems to me when a report is submitted to Congress by the Comptroller General of the United States, as complete in its nature as this report is, with the information it contains, it is very persuasive, and I do not see what additional facts are to be offered aside from what he states

regarding the additional work that was done by this contractor who steps in after defalcation. In the fourth paragraph of the original report it is stated:

Of the net amount of \$20,861.23 thus claimed by the Franklin Surety Co. there was allowed by settlement of this office, dated February 12, 1931, the sum of \$675.45 as the net value of items involving changes in the specifications and extra work duly ordered by the contracting officer.

Then he states in next to the last paragraph:

The amounts claimed for the other items and approved by the Secretary of the Treasury do not appear to be in excess of the reasonable value to the Government of the extra work involved, and, accordingly, it is recommended that an appropriation be made for payment of the claim for \$20,861.23 as reduced by the amount of the two items mentioned, aggregating \$8,460.07, and by the amount of \$675.45 allowed by settlement of February 12, 1931, or in the net amount of \$11,725.71.

Mr. BACHMANN. Will the gentleman tell the House how much of the liquidated damages this company owed the Government, amounting to \$24,600, they paid to the Government of the United States?

Mr. KVALE. I know nothing, except I understand the insurance company has already taken a rap for \$50,000.

Mr. BACHMANN. If they have taken a rap for \$100,000, they collected a premium from these people when they went security for them. They owe the Government \$24,600 in liquidated damages. There is no place in this report showing that they paid that amount of money, if they owed \$24,600, and now they come in and ask the Government to pay \$11,600 more. That is \$35,000 they are taking away from the Government of the United States.

Mr. KVALE. I do not question his sincerity, but it seems to me in view of the statements made in the report of the Comptroller General, which is complete—the gentleman will admit that.

Mr. BACHMANN. So far as the extras are concerned, yes; but I am talking about the justice of this claim. The gentleman must consider that the insurance company or the bonding company collects a premium when they go security for these contractors, and there is an amount of \$24,600 called liquidated damages. If we are going to relieve the bonding company from paying \$24,600, surely I am not going to vote to pay them \$11,000 more.

Mr. KVALE. I yield to the gentleman who introduced the bill. I see he is on the floor. Perhaps he can satisfy the gentleman.

Mr. BLACK. This bill came from the Speaker's office to myself as chairman of the committee. The bill was drawn by the Comptroller General; and as is the case with bills coming to the chairman of the committee through the Speaker, we generally accept it the way the department offers it. The Comptroller General has not disposed of that \$24,000.

Mr. BACHMANN. I think it ought to be in the report.

Mr. BLACK. I agree with the gentleman we ought to get a further report on it.

Mr. BACHMANN. Mr. Speaker, I object.

ROBERT D. BALDWIN

The Clerk called the next bill, H. R. 11902, for the relief of Robert D. Baldwin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Robert D. Baldwin, superintendent and special disbursing agent of the Haskell Institute, at Lawrence, Kans., for an expenditure of \$1,359.26 made in October, 1931, and paid from the appropriation for Indian boarding schools, fiscal year 1932.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HARRIET C. HOLADAY

The Clerk called the next bill, S. 287, to compensate Harriet C. Holaday.

Mr. STAFFORD. Mr. Speaker, I object.

ALICE M. A. DAMM

The Clerk call the next bill, S. 631, for the relief of Alice M. A. Damm.

Mr. STAFFORD. Mr. Speaker, I object.

NICK WAGNER

The Clerk called the next bill, S. 3440, for the relief of Nick Wagner.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. LEAVITT. Mr. Speaker, will the gentleman withhold his objection?

Mr. HANCOCK of New York. I withhold it.

Mr. LEAVITT. Will the gentleman state the ground of his objections? I think I may be able to answer them.

Mr. HANCOCK of New York. This was the case of a man who claims injury from tripping over a mat on the front steps of a post office. There are no eyewitnesses. For a long time there was no statement to the postmaster in connection with the accident. It was two weeks or more after the accident occurred before it was brought to anyone's attention. I fail to see where there is a shadow of a claim against the Government in this case.

Mr. LEAVITT. The situation is that the mat, of course, is always on the top step. In some way it had been pushed out over the edge and this man, who was in Miles City, is a citizen of a smaller town further east in the State, was in Miles City for treatment of a goiter. Going up the step he mistook the edge of the mat which had been kicked out from the top of the step and it gave way, with the result that he fell and struck his shoulder, resulting in the complete loss of the use of his arm.

The facts, I think, are very definitely established in the evidence. I notice in the report that was made by the Senate committee, affidavits from people with whom I am well acquainted as to these facts, and I think there is no doubt but what that was the situation. This man testifies that he is completely disabled so far as his arm is concerned.

Mr. HOLLISTER. There are two things I would like the gentleman to answer. In the first place, I realize the gentleman probably knows the individuals who made these affidavits, but there is no evidence of any eyewitness of the accident whatsoever, and the affidavits are with respect to what the party injured told the various affiants after the accident had occurred to him.

Mr. LEAVITT. They go to the injury; and the evidence, of course, is of those who saw him immediately after the accident. I do not know that anybody saw him fall.

Mr. HOLLISTER. Is there any evidence as to how long this mat had remained in this dangerous condition?

Mr. LEAVITT. No; of course not. It was in that position when he stepped on it. That is what the evidence shows.

Mr. HOLLISTER. The mat was misplaced at the time he was injured, and must have been. If this were the case of a private corporation or individual, would there be liability on the private individual unless the dangerous condition had existed long enough to put them on notice or to give constructive notice of the dangerous condition?

Mr. LEAVITT. In this case the responsibility is upon the Government to have it safe at all times, this being a public place. I realize, of course, there is nobody personally responsible in the Government for not having it pushed back into place.

Mr. HOLLISTER. If it were against a private individual, do you think this evidence would be sufficient to hold him liable?

Mr. LEAVITT. I think so.

Mr. HOLLISTER. In the absence of any evidence as to how long this dangerous situation had existed?

Mr. LEAVITT. Of course, I can not tell anything about that at all, except we do know that it was in this dangerous condition long enough to injure this man permanently.

Mr. HOLLISTER. In view of the matters set forth in the report and under the circumstances of the case, I am very much afraid I shall have to object.

Mr. LEAVITT. I am very sorry. I think this is a meritorious claim.

Mr. HANCOCK of New York. Mr. Speaker, I object.

OMNIBUS PENSION BILL

The Clerk called the next bill, H. R. 12124, granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. GASQUE. Will the gentleman withhold his objection?

Mr. STAFFORD. Yes.

Mr. GASQUE. I want to say to the gentleman that this is the omnibus pension bill that was vetoed by the President of the United States last year on account of objection to certain items in the bill. I took this matter up with the President himself and he suggested that he would like to have the Administrator of Veterans' Affairs pass on these bills. I then took the matter up with the Administrator of Veterans' Affairs and had him send the Director of Pensions, Mr. Morgan, down to my office to go over each of these items separately with a subcommittee of the Committee on Pensions, and every item in the bill now has been agreed to by the Administrator of Veterans' Affairs.

I want to say also that I have a letter from him to this effect, after asking him for his opinion on the bill, which I would like to read, as it is very short:

MY DEAR MR. GASQUE: This will supplement my letter of October 31, 1932, in reply to your letter of October 17, 1932, requesting a report on omnibus bill (H. R. 12124), which bill is now on the House Calendar, showing the items contained therein which has met with the approval of the Administrator of Veterans' Affairs. As you know, a representative of the Veterans' Administration appeared before the Committee on Pensions to go over the items in H. R. 12124, and he has informed me that the objectionable items of the bill were eliminated; therefore, no objection will be interposed by the Veterans' Administration to favorable action on this proposed legislation. You are advised that I have received a letter from the Director of the Bureau of the Budget, dated December 5, 1932, in which he states that in so far as the financial program of the President is concerned, there is no objection to my submitting a favorable report upon the bill, H. R. 12124.

A copy of this letter is enclosed for your use.

Very truly yours,

FRANK T. HINES,
Administrator.

Mr. STAFFORD. Mr. Speaker, we have a number of bills under consideration and I just pick out at random one of the private bills as incorporated in this omnibus bill, and what are the facts:

H. R. 590. Zenobia Blanche Sniffen * * *. The widow is 64 years of age and was married to the general on June 26, 1909. She owns property valued at approximately \$25,000 and has an income of \$1,200 per year and a pension of \$30 per month.

It is proposed to increase her pension to \$50 a month. I could go through this bill and cite other instances in this way, and yet the gentleman is asking me in these times, when we are trying to keep down expenses, to grant to these persons the bounty of the Government when they already have ample funds.

I object.

Mr. GASQUE. If the gentleman will yield, will the gentleman let me finish putting this letter in the RECORD? The gentleman has not stated all the facts in this case. While she owns property valued at \$25,000, this property is obligated for a debt of that amount or more.

Mr. STAFFORD. The gentleman can put the letter in the RECORD.

Mr. GASQUE. And I would be glad to explain that particular bill to the gentleman if I had the opportunity.

Mr. STAFFORD. There are a number of others of the same kind.

Mr. BACHMANN. How much is involved in this bill?

Mr. GASQUE. Sixty-five thousand dollars.

Mr. PATTERSON. And it is the usual omnibus pension bill that is passed year after year.

Mr. GASQUE. The bill carries \$65,000, and takes care of 380 items which represent bills introduced by 197 Members of Congress.

Mr. BACHMANN. How does the bill get on the Private Calendar?

Mr. GASQUE. That is the only calendar that it can be placed on. There is not a bill here that the Administrator of Veterans' Affairs has not approved and which we believe the President is not in favor of.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. GASQUE. Yes.

Mr. COCHRAN of Missouri. I have bills in this omnibus pension bill.

Mr. PATTERSON. I have, too.

Mr. COCHRAN of Missouri. Mr. Speaker, there is no chance for this bill to become a law. I have two or more bills in this omnibus bill. I have no objection to the committee reporting meritorious bills granting a small pension where due to some slight technicality the bureau could not recognize the claimant. However, I have concluded that we should no longer follow the policy of increasing pensions by special act as we have in the past. To give relief to a few who happen to learn that an appeal to a Congressman might secure an increase is not fair to the others. I hope that in the next Congress we will prohibit increases being granted by special act.

I know how careful my good friend from South Carolina [Mr. GASQUE] has been with this work, and he has only followed an established policy of many years' standing. It is a bad policy, however, to grant increases by special act, and I hope it will be discontinued.

Mr. GASQUE. If that is the opinion of the gentleman of Missouri, he should not have introduced that kind of bills.

There are very few increases of pensions. Most of the bills are original pensions, and they are all bills that have been approved by the Veterans' Administration.

Mr. STAFFORD. The Veterans' Administration has approved a number of claims, and the Military Affairs Committee has called them to account for approving claims paying out the money of the Government in unjustifiable instances.

I object, Mr. Speaker.

Mr. GASQUE. The President himself has said that this is the course that should be followed, and I will let the gentleman take the responsibility and let the responsibility rest on his shoulders.

Mr. STAFFORD. I will take the full responsibility.

I object, Mr. Speaker.

Mr. GASQUE. Then let the gentleman from Wisconsin take the responsibility of withholding benefits from these widows and orphans and veterans, the benefits which have been given to other widows, orphans, and soldiers for the past hundred or more years.

FRANK J. BOUDINOT

The Clerk read the next bill on the Private Calendar, H. R. 6393, for the relief of Frank J. Boudinot.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. I reserve the right to object.

Mr. HASTINGS. Mr. Speaker, I think I should say, in view of the favorable report of the committee, that this claimant is a member of the Cherokee Tribe of Indians, born and reared in the Indian Territory among the Cherokees.

He has devoted his entire life to the services of the Cherokee Indians. Now, he has been here practically all of his life and is perhaps 65 years of age or more, and the gentleman from Colorado will remember that for years they had no Representatives in Congress.

It was a part of the Indian Territory. This man F. J. Boudinot represents the Cherokee Tribe and has kept alive for years and pressed these claims against the Government.

In 1924 a jurisdictional bill was passed allowing suit to be brought in the Court of Claims, and the Cherokees would be

permitted to pay attorneys from that time on for their services.

I will say that from my own personal knowledge this man for 20 years or more prior to that time has been attending Congress in an effort to get some proper jurisdictional bill passed so that these claims of the Cherokee Tribe might be presented.

The Indians themselves whom he represents have met and passed resolutions and forwarded these resolutions to me urging this additional compensation, and based on that and with that authority and at their request I introduced this bill.

They have some claims pending, but how much they will recover or what, if any, judgment they will get, I do not know. But they feel, in justice to F. J. Boudinot, who has spent his entire life keeping these claims alive and in an effort to get a jurisdictional act passed to refer them to the Court of Claims, that he ought to receive some compensation for his services in this representation.

Mr. EATON of Colorado. How much does the gentleman say is involved here?

Mr. HASTINGS. I do not know how much is involved; they have claims in the Court of Claims, and it is problematical as to the amount they may recover; but inasmuch as this man has given 30 or 40 years of his life and finally succeeded in getting a jurisdictional bill enacted, they think that he ought to have some additional compensation.

Mr. EATON of Colorado. How much money is involved?

Mr. HASTINGS. I do not know how much. These claims involve an accounting with the Government.

Mr. LEAVITT. If the gentleman will yield, this case was before the Committee on Indian Affairs, and I recall it well, for it has been before us some time. It was considered by the committee to be one of the most just cases of the kind ever brought before us.

Mr. EATON of Colorado. I will say to the gentleman that if he will read these books that I have here, the United States Reports, and if he will look at the litigation where they claim \$700,000, provided for in the last five lines, he would not vote for this bill. If gentlemen will go into the Court of Claims and go over the files of the department, they would not vote for this claim.

Mr. LEAVITT. I do not need to speak in defense of the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Speaker, the gentleman from Colorado is mistaken.

Mr. EATON of Colorado. I am not mistaken. I examined the files myself. Nobody in connection with the Indian Affairs Committee or at any other place would tell me how much was involved; and when I found out that the amount provided for is 5 per cent of over \$4,000,000, then I began to look about some.

Mr. HASTINGS. Oh, that claim was the eastern Cherokee claim that was adjudicated in 1905. This claim for services has nothing whatever to do with it. This bill has nothing whatever to do with any of the suits referred to in those books before the gentleman. I am thoroughly familiar with all of the suits the gentleman has before him, but let me say to him that this bill would not give Boudinot a single penny because of any of those old judgments.

The Cherokees have filed under the jurisdictional act of March 19, 1924, which Boudinot, by his efforts in going back and forth for 10 or 15 years, finally succeeded in getting passed by Congress, when they had no Member of Congress to represent them, when they had no Senator, when they were political orphans, when they were a tribe which was a part of the Indian Territory. This man has kept these claims alive, and he has come backward and forward to Washington for a lifetime. Now he is around 65 years of age, and these Indians whom he serves have passed resolutions asking that he be given this additional compensation.

Mr. EATON of Colorado. These reports show how he has tried to collect these funds from the Indians and has been denied, how he has tried to collect them from the United States, and has been denied. Away back in 1910—

Mr. HASTINGS. Oh, if the gentleman is going to make that sort of argument, well and good. This bill is to give him compensation since then and before March 19, 1924. I am a member of that tribe myself, I have lived among them always, I am one of the beneficiaries, I know more about the affairs of the Cherokee Tribe certainly than does the gentleman from Colorado. If the gentleman wants to object, let him do so on his own responsibility, but I repeat that he is mistaken about it. Not a dollar would be charged to the Treasury but would be deducted from any judgment that may be rendered the Indians who ask for this legislation.

Mr. EATON of Colorado. On my own responsibility and by the facts set out in the United States Supreme Court reports, I object.

ROBERT WHITLEY MILLER

The next business on the Private Calendar was the bill (H. R. 3801) for the relief of Robert Whitley Miller.

The SPEAKER pro tempore. Is there objection?

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. KVALE. Mr. Speaker, will the gentleman reserve his objection?

Mr. GRISWOLD. Certainly.

Mr. KVALE. While the author of the bill is not present, and while the gracious lady who made the report is not present, yet I was a member of the subcommittee of the Committee on Military Affairs which heard this testimony. The committee conducted a rather complete hearing. I can subscribe to every recommendation that the report contains. I feel very keenly that here is a fine young man who has been penalized by circumstances over which he had no control. The report sets forth the information completely.

Mr. GRISWOLD. The report shows that he was retired.

Mr. KVALE. Right.

Mr. GRISWOLD. That thereafter a special act of Congress was passed, and that he was brought before a retiring board and again retired.

Mr. KVALE. Oh, the gentleman himself is a veteran; he has had dealings with veterans; he has conducted affairs of veterans before governmental departments; and he knows that in conditions of this kind, in physical and mental complications of this sort, these conditions do not arise for years, and it is not possible to correctly diagnose them for long periods of time.

The subsequent events clearly show that this man in 1925, at the time he originally separated himself from the service, if he had had full control of himself mentally, would have protected his own rights, and he would have been in a position to secure medical treatment and to have continued in the service and take his place again on the active rolls as others have done.

Mr. GRISWOLD. But the gentleman does not take into consideration the fact that after being retired a special act was passed that brought him before a retiring board again, and he was again retired. Now he comes to Congress a second time to have Congress do the same thing over. It is an everlasting proposition of coming before the Congress with a bill to take him before a retiring board to have him retired.

Mr. KVALE. The second retirement examination shows a discrepancy, and it is on the basis of the injustice shown by those two conflicting reports that we ask now that justice be done this man. He has already been penalized. If this bill passes, justice will not be done him.

Mr. GRISWOLD. If the statement of Mr. Carter in the record—the only statement I see—be true in regard to the man's condition, then he should not be retired at all. He should be restored to active duty.

Mr. KVALE. He is not yet in full possession of his health. He needs a long period of treatment yet.

Mr. GRISWOLD. All of those facts were before the second retirement board.

Mr. KVALE. I feel this bill has merit. The lady who wrote this report has set it forth in clear language, and the Committee on Military Affairs feels that this officer should not have been subject to the chain of circumstances

which conspired to penalize him for a condition over which he had no control and to penalize him further for the act of separating himself from the service at a time when he did not know exactly what was involved. I hope the gentleman can withdraw his objection to this bill and permit it to be written into law.

Mr. GRISWOLD. I regret as much as the gentleman does the unfortunate affliction of this man, but he has had ample opportunity, and it is just a continuation of passing bills on his behalf, and I must object.

CARL L. BERNAU

The Clerk called the next bill, H. R. 4045, for the relief of Carl L. Bernau.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOPE and Mr. BLANTON objected.

Mr. KVALE. Will the gentlemen withhold their objections?

Mr. BLANTON. I will reserve my objection, but first I want to put something of the Government's side in this RECORD. Mr. Dwight F. Davis, the Secretary of War, says in this report:

The War Department is consistently opposed to the enactment of special legislation of a preferred nature for the benefit of individuals. Accordingly, I recommend that this bill be not favorably considered by your committee and be not enacted into law.

And he gives his adverse reasons in the report. I am following the Secretary of War in these matters.

Mr. KVALE. But, Mr. Speaker, the Military Affairs Committee had before it the report of the Secretary of War. They also conducted hearings upon this measure. They went into the facts rather thoroughly, and they decided upon the basis of the facts not to follow the Secretary of War.

Mr. HOPE. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HOPE. I notice in the letter of the Secretary of War he states if it was desired, a representative of the Judge Advocate General's Department would appear before the committee. I should like to ask the gentleman if such official appeared, representing the War Department, when this claim was under consideration.

Mr. KVALE. I can not trust my memory sufficiently to answer the gentleman, because these hearings were held about a year ago, but the hearings were before my subcommittee, as in the case of the last measure. I know something about the facts involved in this matter.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. HILL of Alabama. I was not present at the last hearing before the gentleman's subcommittee, but I was a member of a subcommittee of the Committee on Military Affairs at the previous hearing at the previous Congress, at which time a representative from the War Department did appear, and he was thoroughly quizzed by the members of the committee, and in turn he quizzed this Captain Bernau for whose relief this bill is before us.

Mr. BLANTON. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. BLANTON. Here is what the War Department says:

It appears from the records that former Captain Bernau was found guilty by general court-martial and sentenced to dismissal from the service for making a false statement to Capt. John C. Hutcheson, Quartermaster Corps, as to the amount of Government beef for which he, Bernau, was responsible, and for proposing to the said Captain Hutcheson to make up a shortage in subsistence stores for which he (Bernau) was responsible, by the unauthorized and unlawful sale of exceptional articles at more than the invoice price to the Government, the surplus funds therefrom to be diverted to cover the shortage in subsistence stores herein referred to.

That involves moral turpitude.

Mr. KVALE. Will the gentleman allow me to answer that?

Mr. BLANTON. I say that involves moral turpitude.

Mr. KVALE. The gentleman has inserted certain material in the RECORD. Let me answer it by reading another

section of the report. I will read from page 2 of the report, from a statement by Mrs. KAHN, who submitted the report:

Almost simultaneously with the taking of this inventory, Capt. John C. Hutcheson arrived at Fort Mills to relieve Bernau, who had been ordered back to the States. Being apprised of the discrepancy in the beef account, Captain Hutcheson refused to receipt for the beef until he had taken his own inventory. Using the itemized sheets of the inventory already taken, he made his own extensions, and, by reason of erroneous calculations, determined that the shortage was 55,000 pounds instead of 78,000 pounds. He thereupon receipted for the beef upon the basis of a 55,000-pound shortage. A third inventory taken shortly thereafter determined the correct paper shortage to be 78,000 pounds, and Captain Hutcheson thus became responsible for a shortage of 23,000 pounds.

Then there was a conference and the evidence was incorrect, and it did not agree, and upon that basis a court-martial, to which the gentleman refers, was held. It was simply a routine affair, later corrected.

Mr. BLANTON. For being short 78,000 pounds of beef he was dismissed from the service.

Mr. KVALE. Oh, it was a paper shortage.

Mr. BLANTON. Whereas some boys who steal a turkey gobble go to the penitentiary.

Mr. KVALE. But the point I want to make is—

Regular order was demanded.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill can not pass. I object.

CASSIE E. HOWARD

The Clerk called the next bill, S. 1044.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Cassie E. Howard, as transferee of Frank Bastien, patent for the lands covered by homestead entry numbered Great Falls 054646, upon payment by such Cassie E. Howard, within sixty days from the date of the approval of this act, of the balance due upon such lands.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MARGARET M'CREANOR

The Clerk called the next bill, S. 1040, authorizing the issuance to Margaret McCreanor of a patent for certain lands.

Mr. HOPE. Mr. Speaker, I object.

EARL V. LARKIN

The Clerk called the next bill, H. R. 785, to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a few questions about this bill, or perhaps he wishes to make a statement.

Mr. PITTINGER. I simply want to say that the committee went into the facts carefully and we have a copy of the report of the department here. The facts are that a boy 16 years of age went down to a tunnel where United States soldiers were. He went there with the intention of enlisting. While he was down there with these soldiers one of them discharged a revolver.

Mr. HANCOCK of New York. What was he doing there? Was he doing anything to the tunnel?

Mr. PITTINGER. He says in his letter to the Congressman that he had gone into the tunnel with these soldiers during the nighttime to look for somebody, report having come from men on the train that some strange character was in there.

Mr. HANCOCK of New York. Was he helping the soldiers?

Mr. PITTINGER. Yes.

Mr. HANCOCK of New York. He was not trespassing?

Mr. PITTINGER. He was not a trespasser.

Mr. HANCOCK of New York. The soldiers were not trying to put him out?

Mr. PITTINGER. Not at all.

Mr. HANCOCK of New York. He was not interfering with them in any way?

Mr. PITTINGER. He was not. And I may say to my colleague, I think this bill is very reasonable. He submitted an itemized statement. He is only claiming reimbursement of hospital bills and doctors' bills. He is not asking anything for the injury. The itemized bill was submitted to the committee. I did not include it in the report.

Mr. HANCOCK of New York. Will the gentleman consent to an amendment providing that this is in full settlement of all claims against the Government of the United States?

Mr. PITTINGER. I have no objection to such an amendment.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have an amendment to offer which does not detract from the merits of the bill.

Mr. PITTINGER. I have no objection to it.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Earl V. Larkin the sum of \$1,213.25, out of any money in the Treasury not otherwise appropriated, being for hospital care and medical services rendered Earl V. Larkin, a civilian, who was injured by the accidental discharge of a gun in the hands of a private in the United States Army.

With the following committee amendment:

At the end of the bill add the following: "*Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.*"

The committee amendment was agreed to.

Mr. STAFFORD. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 6, after the word "appropriated," insert the words "in full compensation for all expenses attendant on and for an injury suffered by him arising from."

And then after the word "Army" insert the words "on or about June 12, 1917, at Pittsburgh, Pa."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed; and a motion to reconsider laid on the table.

CHARLES EDWARD BAILEY

The Clerk called the next bill, H. R. 4328, for the relief of Charles Edward Bailey.

Mr. HOPE. Mr. Speaker, I object.

MARTIN-WALSH (INC.)

The Clerk called the next bill, H. R. 5774, for the relief of Martin-Walsh (Inc.).

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. BLACK. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. EATON of Colorado. I withhold the objection.

Mr. BLACK. The committee gave a great deal of attention to this bill. Mr. Walsh, one of the members of this former firm appeared before the committee. Martin-Walsh (Inc.), paid a duty they should not have paid on an importation of paper. It seems there was a general mistake as to the duties payable on this line of paper. Other firms also paid excess duty, but they were properly advised by their customers' brokers and got a refund.

This is the only firm that did not get a refund. This is the only case of its kind. No other cases will arise.

I know the situation of Walsh. I have gone into this thing very carefully myself. He has been to see me time and time again. He is a very excellent citizen. He was in the Army and he can not understand why he has been done what he considers an inequity.

The committee heard this man. We seldom do that. He appeared before us and made a very satisfactory explanation of the entire situation, so satisfactory was it that the committee unanimously reported the bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. STAFFORD. The Secretary of the Treasury called attention to the fact that if we pass this bill it will be the basis of many similar bills against the Government.

Mr. BLACK. Not of this kind.

Mr. STAFFORD. If there is a refund of duties in this case, it will be extending to the importer a special privilege not enjoyed by all. Therefore he is constrained to report against the passage of the bill.

Mr. BLACK. The committee's idea of the facts is different from that report, because we understand that this is the only possible case that could arise under those particular duties as to those goods.

Mr. STAFFORD. As to these special goods?

Mr. BLACK. That is right.

Mr. STAFFORD. But there are many instances where the broker fails to perform his duty, as in this case, to protect the interests of his client. He fails to make his claim in time, as the broker did in this case; and if we are going to open up the doors to every case where a broker has been negligent, there will be thousands upon thousands of such cases.

Mr. BLACK. Of course, the gentleman understands this trouble occurred through the original mistake on the part of the Government.

Mr. STAFFORD. On the part of the brokers.

Mr. BLACK. No; on the part of the Government.

Mr. PITTINGER. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. PITTINGER. The facts are, and, mark you, the members of the committee went into this carefully and personally, the Government appraiser suggested and insisted on this higher valuation.

Mr. EATON of Colorado. The gentleman does not know enough about the importing business to insist on that point.

Mr. BLACK. That point was decided by the court.

Mr. EATON of Colorado. The importer has the right to determine whether he is going to take his imports upon a certain appraisement and the customs broker or the importer can make his protest at the time, and if he does not do it he is in exactly the same position as this man now finds himself, who very naively says, and this is the claimant's own statement, "When these entries in question were made, there was an atmosphere of confusion and uncertainty as to the proper basis of valuation."

This is no fault of the Government, this is no fault of the appraiser, this is no fault of the customs broker. Then he says, "The decisions of the Customs Court of October 24, 1924, in supporting the importers, confirms that impression. And that subsequent to the rendering of this decision every other importer of similar merchandise in the port of New York received refunds because their interests had been properly protected by their brokers."

Mr. BLACK. Let me say to the gentleman that there is an indication that this excessive duty was put on not because of any confusion, but because of the urgings of competitors who were domestic producers. There is every indication of that in this evidence.

Mr. PITTINGER. If my colleague will yield further, there is evidence here that domestic producers in some way wanted to complicate matters. The facts are that these particular brokers were inexperienced. They followed the suggestions of the appraisers with respect to this higher valuation, although they originally wanted the lower valuation, which was the correct one. There was a mistake in

not following the legal technicalities. The committee did not feel that American citizens should be prejudiced in this way, by reason of an error into which the brokers were led following the appraisers who represented the Government and whose duty it was to advise these people and to help them protect their interests in the matter.

Mr. EATON of Colorado. The gentleman from Minnesota and the gentleman from New York almost persuaded me that these people have a cause of action against their broker. I therefore object, Mr. Speaker.

H. D. HENION, ET AL.

The Clerk called the next bill, H. R. 7205, for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley.

Mr. HOPE. Mr. Speaker, I object.

Mr. PITTINGER. Will the gentleman withhold his objection?

Mr. HOPE. I withhold it.

Mr. PITTINGER. It is certainly the dark of the moon to-night. Look at the facts in this case.

Mr. HOPE. Let me ask the gentleman this question: Were these men who were injured employees of the United States Government?

Mr. PITTINGER. I do not believe they were.

Mr. HOPE. There is nothing in the report to show that they were?

Mr. PITTINGER. I do not recall.

Mr. HOPE. Then why extend to them the benefits of the United States employees' compensation act?

Mr. PITTINGER. Has the gentleman read the report of the Department of Agriculture?

Mr. HOPE. Yes; but there is nothing in that report to indicate these men were Government employees.

Mr. GRISWOLD. The report of the department shows that one of them certainly was not in the employ of the Government.

Mr. HOPE. Does it show positively that any of them were?

Mr. STAFFORD. And the report of the forest supervisor would indicate that we should be careful that they do not fall into the hands of the ambulance chasers who would seek to get control of their claims.

Mr. PITTINGER. We do not handle any claims of ambulance chasers.

Mr. STAFFORD. But you provide benefits that go to ambulance chasers.

Mr. PITTINGER. No; we do not.

Mr. HOPE. Mr. Speaker, I object.

HAROLD W. MERRIN

The Clerk called the next bill, H. R. 11459, for the relief of Harold W. Merrin.

The SPEAKER pro tempore. Without objection, the Clerk will report the Senate bill (S. 4287).

There being no objection, the Clerk read the Senate bill (S. 4287), as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold W. Merrin the sum of \$124.35 as reimbursement for amounts disallowed and charged to him in connection with travel expenses to and from Alaska under official orders and reimbursed by him to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 11459) was laid on the table.

DONNA M. DAVIS

The Clerk read the next bill on the Private Calendar, H. R. 11460, to authorize credit in the disbursing account of Donna M. Davis.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PITTINGER asked that the bill S. 4286 be substituted.

There being no objection, the Clerk read the Senate bill, as follows:

S. 4286

An act to authorize credit in the disbursing account of Donna M. Davis

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the account of Donna M. Davis, special disbursing agent, field service, General Land Office, Anchorage, Alaska, for payment of \$35.90 made to Harold W. Merrin as reimbursement for travel expense, which amount now stands as a disallowance on the books of the General Accounting Office.

The bill was ordered to be read a third time, was read the third time, and passed.

The House bill was laid on the table.

A motion to reconsider was laid on the table.

ISSUANCE OF PATENTS UPON CERTAIN CONDITIONS TO LAND AND ACCRETIONS WITHIN THE STATE OF NEW MEXICO

The Clerk read the next bill on the Private Calendar, S. 1624, providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Reserving the right to object—

Mr. THOMASON. Mr. Speaker, the situation is this, that there was litigation pending between Texas and New Mexico relative to the boundary line between those States on account of the change of the Rio Grande. The line was not what it had been. So a survey was ordered, and by a decision of the Supreme Court of the United States the line was established. But that line left land which formerly belonged to Texas in New Mexico and land which formerly belonged to New Mexico in Texas.

Mr. BLANTON. The land commissioner says:

Until a report under the resolution of Congress has been submitted, or until the public surveys have been closed upon the boundary line and the pending application disposed of or the present occupants of the land afforded an opportunity to put their claims of record under existing public land laws, further legislation by Congress at this time is not thought to be necessary.

Mr. THOMASON. That is not quite correct. You may search the records in the office, and if you expect to find an adverse report you are mistaken. I do not know how many things have been done, but no sales have been made. This bill has passed the Senate unanimously and passed the Public Lands Committee unanimously.

Mr. EATON of Colorado. The gentleman is mistaken about that. It has not passed the Public Lands Committee unanimously, for I am a member of that committee.

Mr. THOMASON. Well, anyway, there is not a citizen of that valley on either side of the water who owns land there that his land is not under a cloud of title. He can not borrow even from the Federal land bank.

Mr. EATON of Colorado. Why not wait until a decision of the Land Office is obtained. If you have a letter in your pocket showing that the land is clear I will withdraw the objection.

Mr. CHAVEZ. I will say this, every man in Texas who had a patent goes under the assumption that it was not a public-land State.

Mr. EATON of Colorado. I am not going to take the time to state the difficulties in these claims of New Mexico and Texas.

Mr. THOMASON. There is no protest from the Commissioner of the Land Office.

Mr. EATON of Colorado. I can not read the report in any other way except that the commissioner does not approve. The gentleman from Texas [Mr. BLANTON] has read the final report in the memorandum of the Commissioner of the General Land Office.

It does not show any detriment to the right of any person, but it shows that some of the details in getting these land titles clear listed for the people as well as for the department have not been accomplished.

Mr. THOMASON. In New Mexico they derive their titles from the United States Government. So far as Texas is

concerned, I am not sure that the act has passed the legislature, but I am sure it will pass an enabling act down there that will clear up the situation. The Senators and the Representatives from both States, as well as the landowners in the entire valley, are in absolute accord.

Mr. EATON of Colorado. I regret very much as a member of this committee to say that people from both of these States have sent people to me that I know, and they have laid some of the facts before me. I say to the gentleman that what they ought to do, and I have said it to them, is to continue laying the facts before the Commissioner of the Land Office, and not to Congress, until they get the situation straightened out. No one wants to interfere with their getting their land titles cleared.

Mr. THOMASON. Has the gentleman had a report from the people along that line recently?

Mr. EATON of Colorado. Not within six months.

Mr. THOMASON. May I say as one of the attorneys involved in that case, that I am familiar with the matter and I do say that now those people have settled all of their differences, and I say on my own responsibility, and the gentleman from New Mexico [Mr. CHAVEZ] I am sure will say the same, but there is not a single objection to this.

Mr. EATON of Colorado. If the gentleman will get such a statement from the Commissioner of the Land Office, I shall do everything I can in the next few days to see this legislation passed.

Mr. THOMASON. They can not borrow any money, they can not get good title to their lands, they can not trade or sell as long as this cloud is on the title.

Mr. CHAVEZ. Not only that, but these very people who are involved are the ones who are asking us to push this legislation. There is no disagreement at all. The bill was originally introduced in the Senate.

Mr. BACHMANN. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, much as I regret to do so, I object.

ALLEGHENY FORGING CO.

The next business on the Private Calendar was the bill (S. 466) for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BRUMM. Mr. Speaker, I offer a committee amendment to strike out the figures in line 9, "\$914.55," and insert "\$2,689.97."

The Speaker pro tempore. The Clerk will report the bill.

Mr. STAFFORD. Oh, Mr. Speaker, I reserve the right to object. If the bill passes, it must be as it is now and not in any larger amount.

Mr. BRUMM. Why?

Mr. STAFFORD. Because the report shows that they are entitled to \$914.55.

Mr. BLANTON. And only that, the Comptroller General says.

Mr. HANCOCK of New York. Mr. Speaker, the bill has not yet been reported.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object unless the bill passes in the form it is now with this stated amount.

Mr. BRUMM. The bill has passed the Senate and was reported to the committee, and we are now offering an amendment to the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Objection to what?

The SPEAKER pro tempore. To the consideration of the bill.

Mr. BLANTON. Mr. Speaker, if the bill is kept in the sum of \$914.55, the amount the Comptroller General recognizes, I shall not object; otherwise I shall.

Mr. BRUMM. Just a moment. The reason is that we followed the advice the gentleman suggested. We got a report from the Comptroller General; and the evidence, by

the correspondence that I had and read every word of, absolutely was ignored by the Comptroller General in his report, which showed a new contract accepting a certain amount of steel ingots, which was entirely ignored by and apparently unknown to the Senate.

Mr. RAMSPECK. Mr. Speaker, let us have the regular order.

The SPEAKER pro tempore. The regular order is demanded.

Mr. BLANTON. If there is an understanding that the bill is not going to be passed for more than \$914.55 we will let it go, and it is to be in full settlement.

Mr. BACHMANN. If it is in full settlement of all claims against the Government of the United States.

Mr. STAFFORD. With that understanding I have no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Allegheny Forging Co. for steel ingots and steel billets shipped to Balboa, Canal Zone, under Panama Canal contract entered into in October, 1919, and to allow in full and final settlement thereof the sum of not to exceed \$914.55. There is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$914.55, or so much thereof as may be necessary, for the payment of said claim.

Mr. BLANTON. Mr. Speaker, I offer to amend on page 2, in line 2, after the word "claim," by striking out the period, inserting a colon and the following proviso:

Provided, That the above shall be in full settlement of all claims against the Government of the United States.

Mr. HANCOCK of New York. In line 8, on page 1, it says "in full and final settlement thereof."

Mr. BLANTON. But it does not say against the Government.

The Clerk read as follows:

Amendment by Mr. BLANTON: On page 2, after line 2, insert a colon and the following proviso: "In full settlement of all claims against the Government of the United States, based on the above transaction."

The amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. HANCOCK of New York: At the end of the amendment just adopted, insert the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIE BRUCE GALLAHAN

The Clerk called the next bill, H. R. 8119, for the relief of Jennie Bruce Gallahan.

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, this being a matter that would set a new precedent, I intend to object. This is a deceased fireman in the District of Columbia. His widow is entitled to benefits under the firemen's retirement act. She is now drawing a pension of \$70 per month. No such claim as this ought ever be passed by the Congress, giving her an additional \$5,000.

Mr. BACHMANN. The wife is getting \$70 a month out of the firemen's fund of the District.

Mr. BLANTON. Yes; and we should watch for such bills as this and stop them.

Mr. GAMBRILL. Will the gentleman withhold his objection for a moment?

Mr. BACHMANN. I will reserve it.

Mr. GAMBRILL. This bill has twice passed the Senate, once in the Seventy-first Congress and again in the Seventy-second Congress. It has been favorably reported several times, and for that reason I thought the bill was a very meritorious one.

Mr. BACHMANN. As far as the facts are concerned, there should be some compensation coming to this widow, but she is getting \$70 a month now. Now the gentleman's bill asks for \$5,000 in addition.

Mr. GAMBRILL. That is true.

Mr. BACHMANN. It is a precedent that you are establishing, where one department or bureau of the Government is compensating a claimant who is coming in now seeking double compensation, growing out of the same death.

Mr. GAMBRILL. The gentleman will bear in mind that no part of the compensation she is receiving comes from the Federal Government. It is paid by the firemen themselves.

Mr. BACHMANN. That is just the point. The Federal Government is not the guardian angel to pay everybody who loses his life or suffers injury. The fact of the matter is this claimant should have sued the owner of the Cadillac car. He was directly responsible for the fireman's death. The Government of the United States is not responsible for everybody who is injured.

Mr. BLANTON. Oh, the Government is the "big daddy" for every person wanting to take money out of the Treasury.

Mr. RAMSPECK. Mr. Speaker, the regular order.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I object.

HARRY GORDON

The Clerk called the next bill, H. R. 1041, for the relief of Harry Gordon.

Mr. EATON of Colorado. Mr. Speaker, I object to the passage of this bill.

Mr. COCHRAN of Missouri. Mr. Speaker, this is another case of where a man repeatedly violated the regulations of the War Department during the period of the war, and some other boy had to take his place in the line, and he should not receive an honorable discharge, and therefore I object.

MATHIE BELSVIG

The Clerk called the next bill, S. 2259, for the relief of Mathie Belsvig.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Mathie Belsvig, of Ossette, Mont., a patent to 80 acres of land upon which said Mathie Belsvig made homestead entry in 1917, and submitted final proof in 1921 (homestead entry No. Great Falls 054858, containing 319^{30/100} acres): *Provided,* That within 60 days from approval of that act said Mathie Belsvig shall specify the 80 acres in the entry for which patent is desired and shall make complete payment for the balance due thereon.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YAKUTAT & SOUTHERN RAILWAY

The Clerk called the next bill, H. R. 6484, to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation, authorized to carry on its business in the Territory of Alaska.

Mr. STAFFORD. Reserving the right to object, I assume the Delegate from Alaska will not have any objection to reserving all mineral and oil deposits?

Mr. WICKERSHAM. No. There is no object to that at all. I want to offer a short amendment at the proper time.

Mr. STAFFORD. I think it is owing to the membership to have the gentleman acquaint the House with the amendment before the bill passes the objection state.

Mr. WICKERSHAM. After the word "of," in line 5 on page 1, insert the words "a portion of," and then strike out

the word "sixty," in line 6 on page 1 and insert in lieu thereof "thirty-six and sixteen one-hundredths."

Mr. STAFFORD. There will be no objection to that.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized upon the relinquishment by the Yakutat & Southern Railway, a Washington corporation, of its grant for terminal grounds on Monti Bay, Alaska, containing approximately 60 acres, to issue a patent in fee to the Yakutat & Southern Railway for that certain tract of land containing approximately 69.02 acres, particularly described as follows: Beginning at true point for corner No. 1, near the east shore of Monti Bay, an arm of Yakutat Bay, from which U. S. L. M. No. 179 bears north 57° 39' east 4.04 chains distant. Witness corner to corner No. 1 bears east 2.36 chains distant, from which witness corner U. S. L. M. No. 179 bears north 25° 55' east 2.40 chains distant; thence from true point for corner No. 1 south, 5.19 chains to corner No. 2; thence east 16.11 chains to corner No. 3; thence north 5.19 chains to corner No. 4; thence east 12.15 chains to corner No. 5; thence north 1° 24' west 19.98 chains to corner No. 6; thence north 89° 46' west 34.48 chains to corner No. 7; thence south 2.84 chains to witness corner to corner No. 8 M. C. 3.95 chains to true point for corner No. 8 M. C. at line of mean high tide on north shore of Monti Bay; thence from true point for corner No. 8 M. C. southeasterly along the meander line of mean high tide on the north and east shores of Monti Bay to true point for corner No. 9 M. C. at line of mean high tide on east shore of Monti Bay; from which witness corner to corner No. 9 M. C. bears east 4.03 chains distant; thence from true point for corner No. 9 M. C. east 1.67 chains to true point for corner No. 1, the place of beginning, containing 69.02 acres, situate on Monti Bay in the Territory of Alaska; upon the payment therefor at the rate of \$2.50 per acre: *Provided,* That such patent shall be issued describing the lands in terms of a United States survey.

With the following committee amendments:

On page 1, in line 8, strike out "sixty-nine and two one-hundredths" and insert in lieu thereof "forty-five and twenty-one one-hundredths," and in line 1, on page 2, after the word "acres," insert "subject to existing valid claims."

Mr. STAFFORD. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD to the committee amendment: Page 2, in line 1, after the word "claims," insert "and also reserving all mineral and oil rights to the Government."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

With the further committee amendment:

Page 2, line 14, after the figure "3," strike out down to and including line 9, on page 3, and the words "and two one-hundredths acres" on page 3, and insert in lieu thereof the following: "thence north 25.22 chains to corner No. 4; thence north 89° 46' west 22.82 chains to corner No. 5; thence south 2.84 chains to witness corner to corner No. 6 M. C. 3.95 chains to true point for corner No. 6 M. C. at line of mean high tide on north shore of Monti Bay; thence from true point for corner No. 6 M. C. southeasterly along the meander line of mean high tide on the north and east shores of Monti Bay to true point for corner No. 7 M. C. at line of mean high tide on east shore of Monti Bay; from which witness corner to corner No. 7 M. C. bears east 4.03 chains distant; thence from true point for corner No. 7 M. C. east 1.67 chains to true point for corner No. 1, to place of beginning, containing 45.21 acres."

The committee amendment was agreed to.

Mr. WICKERSHAM. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 1, line 5, after the word "of" insert the words "a portion of," and in line 6, after the word "approximately" insert "36.16."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

LETTIE LEVERETT

The Clerk called the next bill, H. R. 6449, for the relief of Lettie Leverett.

Mr. BACHMANN. Mr. Speaker, I object.

Mr. JOHNSON of Oklahoma. Will the gentleman withhold his objection?

Mr. BACHMANN. Gladly.

Mr. JOHNSON of Oklahoma. I may say to the gentleman this is a bill for the relief of a widow and three minor children because of the death of a civilian who was ordered to fight a fire by Army officers.

Mr. BACHMANN. The gentleman does not mean there are three minor children. As I understand, one child is 20, one is 19, and the other is 15. The gentleman does not consider them minor children, does he?

Mr. JOHNSON of Oklahoma. The report says minor children.

Mr. BACHMANN. One is 20, one is 19, and the third is 15.

Mr. JOHNSON of Oklahoma. The child 15 years old is certainly a minor child.

Mr. BACHMANN. But I would not consider the others as minors.

Mr. JOHNSON of Oklahoma. As I started to say, the bill is for the relief of a widow because of the death of a civilian caused absolutely by the negligence of the officers. He was cutting hay on a military reservation. He was ordered to fight a fire, and he did fight the fire. He was not killed while fighting the fire. He was ordered onto a truck driven by a soldier. He got on that truck and through no fault of his own he was killed. It seems to me the Government is responsible.

Mr. BACHMANN. As I understand the facts from the report, this man agreed when he went onto this reservation that he would not hold the Government responsible.

Mr. JOHNSON of Oklahoma. Oh, I do not think so.

Mr. BACHMANN. I call the gentleman's attention to what the report states:

Mr. McCormack testified at the hearings of the board investigating the death of Mr. Leverett that when he hired Mr. Leverett he showed him the permit; that he, Mr. Leverett, understood that he was going on the reservation at his own risk from fire, shooting, etc., and was expected to aid in fire protection, if necessary.

I will call the gentleman's attention to one further statement from the report. I am sympathetic. I am sorry the man lost his life, but let me read this statement from page 3 of the report:

Under the circumstances as disclosed by the evidence of record the War Department is of the opinion that the occurrence of this accident, regrettable though it is, casts no legal or moral responsibility thereon on the Government for the reason that Mr. Leverett was not employed by the Army; that he was advised that in coming on the reservation as an invitee for his own benefit, or that of his employer, he did so at his own risk; that his death was a result of an unavoidable accident to which no agent, agency, or instrumentality of the Government contributed.

How is there any moral obligation on the Government or any equitable reason why the Government should pay this woman any money?

Mr. JOHNSON of Oklahoma. This man was ordered on this truck. He did not lose his life while fighting a fire. When he fought the fire he had done what he had agreed to do, and he never agreed to get on a Government truck driven by a soldier, and through no fault of his own he was killed.

Mr. BACHMANN. The Army officer called on him to assist in fighting the fire, and he got on the truck. He did not stay on the truck with the rest of them, and he got lost and was killed.

I am compelled to object, Mr. Speaker.

CHAMBLISS L. TIDWELL

The Clerk called the next bill, H. R. 7409, for the relief of Chambliss L. Tidwell.

Mr. EATON of Colorado. Reserving the right to object, if the author of the bill will accept the form that is used for claims against the Employees' Compensation Committee, I shall not object.

Mr. KLEBERG. Certainly.

Mr. EATON of Colorado. Can the gentleman tell me the date of the injury referred to?

Mr. STAFFORD. The report shows the accident occurred after the compensation act was passed.

Mr. KLEBERG. No; there was a development of tuberculosis—

Mr. STAFFORD. It developed after the compensation act was passed.

Mr. KLEBERG. Yes.

Mr. EATON of Colorado. I am taking the date shown here when he had pleurisy, which is August 15, 1925.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15, 17, 18, and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Chambliss L. Tidwell, a civilian employee of the Mississippi River Commission, who contracted pulmonary tuberculosis in such service, and his case is hereby authorized to be considered and acted upon under the remaining provisions of such act.

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: Strike out all after the enacting clause and insert: "That the United States Employees' Compensation Commission is hereby authorized to consider and determine in the same manner and to the same extent as if application for the benefits of the employees' compensation act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Chambliss L. Tidwell, of Memphis, Tenn., on account of injuries alleged to have been received on or about August 15, 1925, while employed in the service of the United States as civilian employee of the Mississippi River Commission: *Provided*, That no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM H. CHAMBLISS

The Clerk called the next bill, H. R. 8210, for the relief of William H. Chambliss.

Mr. HOLLISTER. Mr. Speaker, I object.

JOE SETTON

The Clerk called the next bill, H. R. 10800, for the relief of Joe Setton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joe Setton, of New York City, the sum of \$500. Such sum represents the amount of a bond forfeited to the United States by the said Joe Setton, such bond being conditioned upon the voluntary departure of his mother, Sabour Setton, from the United States at the expiration of one year after her admission to the United States as a non-immigrant alien. Due to illness, she was unable to depart, but the said Joe Setton made no application within the prescribed period for an extension of time of her temporary visit, having no knowledge that such extension was necessary.

With the following committee amendment:

Page 1, line 6, after "\$500," insert "in full settlement of all claims against the Government of the United States"; page 2, line 6, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ADJOURNMENT

Mr. BLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Friday, February 24, 1933, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

947. Under clause 2 of Rule XXIV, a letter from the Architect of the Capitol, transmitting the annual report of the Architect of the Capitol for the fiscal year ended June 30, 1932, was taken from the Speaker's table, referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SIROVICH: Committee on Civil Service. H. R. 14410. A bill to amend section 3 of the act of May 28, 1928, relating to salary rates of certain civil-service positions; without amendment (Rept. No. 2096). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 2654. An act to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars; without amendment (Rept. No. 2097). Referred to the Committee of the Whole House on the state of the Union.

Mr. JEFFERS: Committee on the Civil Service. H. R. 14429. A bill to amend the act of May 29, 1930, for the retirement of employees in the classified civil service; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. H. Res. 392. A resolution for the consideration of H. R. 14689, a bill to provide for the postponement of the payment of installments due on loans made by the Federal land banks, and for other purposes; without amendment (Rept. No. 2104). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. H. Res. 397. A resolution providing for the consideration of S. 5122, "An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture"; without amendment (Rept. No. 2105). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CHAVEZ: Committee on the Public Lands. S. 5325. An act for the relief of Sadie L. Kirby; without amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 2049. A bill for the relief of James E. Westcott; without amendment (Rept. No. 2099). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 11532. A bill for the relief of William M. Sherman; without amendment (Rept. No. 2100). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 14346. A bill for the relief of Frank Kroegel, alias Francis Kroegel; without amendment (Rept. No. 2101). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Ohio: A bill (H. R. 14761) to authorize the Secretary of Agriculture to purchase 40,000,000 acres of cultivated agricultural lands for the purpose of reducing production of cotton, wheat, corn, and other products of the soil; to the Committee on Agriculture.

By Mr. CONNERY: A bill (H. R. 14762) to remove the tax exemption on certain bonds issued by the United States; to the Committee on Ways and Means.

By Mr. CELLER: A bill (H. R. 14763) authorizing conventions in the States for consideration of a proposed amendment to the Constitution of the United States repealing the eighteenth amendment in the event that any of the respective States fail to provide for such conventions; to the Committee on the Judiciary.

By Mr. LONERGAN: A bill (H. R. 14764) to reduce the rate of certain interest payable to the United States to the rate of 4 per cent per annum; to the Committee on Ways and Means.

By Mr. JOHNSON of Missouri: A bill (H. R. 14765) to prohibit interference with or coercion of employees in their voting at elections by corporations and individuals; to the Committee on the Judiciary.

By Mr. REED of New York: Resolution (H. Res. 395) authorizing the Federal Trade Commission to investigate practice of the American Tobacco Co., the P. Lorillard Co., the R. J. Reynolds Tobacco Co., the Liggett & Myers Tobacco Co., and the Atlantic & Pacific Tea Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. BANKHEAD: Resolution (H. Res. 397) providing for the consideration of S. 5122, "An act to provide for the purchase and sale of cotton under the supervision of the Secretary of Agriculture"; to the Committee on Rules.

By Mr. McKEOWN: Joint resolution (H. J. Res. 609) to make loans to foreign credit exchanges or insurance companies engaged in insuring accounts of American exporters; to the Committee on Banking and Currency.

By Mr. LOVETTE: Joint resolution (H. J. Res. 610) to amend the Constitution of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Council of Northampton, Mass., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

Memorial of the Council of Stamford, Conn., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

Memorial of the Legislature of the State of Wisconsin, memorializing Congress relative to officers' retirement pay allowed by the Federal Government to persons receiving large salaries and to payment of the soldiers' bonus to veterans in need; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 14766) for the relief of Rogowski Bros.; to the Committee on Claims.

By Mr. PERKINS: A bill (H. R. 14767) granting an increase of pension to Mary E. Stagg; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 14768) granting a pension to Clementine N. Riderick; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10632. By Mr. BIDDLE: Resolution of the General Assembly of Pennsylvania, memorializing the present Congress of the United States to refrain from taking any action, under the guise of economy, to radically cut appropriations for the support of the Army, Navy, and Marine Corps of the United States and of the National Guard of the several States; to the Committee on Appropriations.

10633. By Mr. BOLAND: Memorial of the Legislature of the State of Pennsylvania, requesting the Congress of the United States to refrain from taking any action for the purpose of economy or other purposes that will further decrease the strength and effectiveness of the armed forces of the United States and the several States thereof; to the Committee on Ways and Means.

10634. By Mr. BOYLAN: Resolution adopted by the Bronxville chapter of the Westchester County Realty Board, providing for loans to States and municipalities and to provide for a guaranty of mortgages on homes and other real estate at the present value of such mortgages, etc.; to the Committee on Banking and Currency.

10635. By Mr. CLARKE of New York: Petition of Ziba L. Tuttle and 17 residents of Smyrna, N. Y., urging passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

10636. By Mr. COLTON: Petition of the public-school children of the State of Utah and teachers, urging the creation of a memorial in the West to the memory of George Washington, the Father of our Country; to the Committee on Memorials.

10637. Also, memorial of the State of Utah, memorializing the Congress of the United States to reject the Bratton amendment to the Treasury and Post Office bill eliminating the Salt Lake Veterans' Hospital and regional offices at Salt Lake City; to the Committee on Appropriations.

10638. By Mr. CONDON: Petition of Agnes V. Hopkins, Clemence E. Martineau, Harriet E. Brukhardt, Charles M. Sullivan, and 270 other citizens of Rhode Island, protesting against any reduction or repeal of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

10639. By Mr. DELANEY: Petition of the National Council of Jewish Women, protesting against the appropriation of \$20,000,000 passed by the Senate for the maintenance of unemployed youth in military camps; to the Committee on Military Affairs.

10640. By Mr. FINLEY: Petition of citizens of Wayne County, Ky., protesting against repeal of the eighteenth amendment; to the Committee on the Judiciary.

10641. By Mr. GARBER: Petition of D. P. Trent, of Stillwater, Okla., urging support to reinstatement of Austin amendment to Treasury and Post Office bill; to the Committee on Appropriations.

10642. Also, petition of the Carlisle Study Club, Tonkawa, Okla., urging enactment of law to establish a Federal motion-picture commission; to declare the motion-picture industry a public utility; to regulate the trade practices of the industry used in the distribution of pictures; supervise the selection and treatment of subject material during the processes of production; provide that all pictures entering interstate and foreign commerce be produced and distributed under Government supervision and regulation; and urging support of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

10643. By Mr. HANCOCK of New York: Petition of Rev. G. W. Taft and other residents of Onondaga County, favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

10644. Also, petition of Isabella Carver and other residents of Skaneateles, N. Y., favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

10645. By Mr. KELLY of Pennsylvania: Petition of Robert J. Lean Post, No. 600, American Legion, indorsing military construction plan for ending the present economic depression; to the Committee on Military Affairs.

10646. Also, petition of the Liberty Independent Republican Club, of Wilkinsburg, Pa., praying for immediate relief for suffering Americans; to the Committee on the Judiciary.

10647. By Mr. LINDSAY: Petition of John Dwight Sullivan, chairman aviation committee of the American Legion, State of New York, New York City, opposing provision of Navy appropriation bill limiting or striking out flying pay for Army and Navy officers as destructive of morale and incentive; to the Committee on Appropriations.

10648. By Mr. McFADDEN: Memorial of the Senate and House of Representatives of the State of Pennsylvania, by resolution adopted by the general assembly on February 20, 1933, that the present Congress of the United States refrain from taking any action that will decrease the strength and effectiveness of the armed forces of the United States and the several States thereof; to the Committee on Military Affairs.

10649. By Mr. PARKER of Georgia: Resolution of the General Assembly of the State of Georgia, indorsing the Smith cotton bill, introduced by Senator E. D. SMITH, of South Carolina, and passed by the Senate on Saturday, February 18, 1933, and urging the House of Representatives

to pass the bill as passed by the Senate; to the Committee on Agriculture.

10650. By Mr. PERKINS: Petition of 19 residents of Sparta, Sussex County, N. J., favoring the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

10651. By Mr. RUDD: Petition of John Dwight Sullivan, chairman aviation committee, the American Legion, State of New York, opposing the limiting or striking out flying pay for Army and Navy officers; to the Committee on Appropriations.

10652. By Mr. WELCH: Petition of California State Legislature, Assembly Joint Resolution No. 3, relating to memorializing Congress to adopt legislation permitting the manufacture and sale of light wines; to the Committee on Ways and Means.

10653. Also, petition of California State Legislature, Assembly Joint Resolution No. 2, adopted in assembly January 12, 1933, relative to memorializing Congress to propose an amendment to the Constitution of the United States repealing the eighteenth amendment and to provide for conventions in the several States to accomplish this purpose; to the Committee on the Judiciary.

10654. By Mr. YATES: Petition of Ethel Odelberg, 208 Fifth Avenue; Grace Ziegler, 1848½ Twenty-third Avenue; Hazel Eckstrom, 1833 Ninth Street; and other citizens of Moline, Ill., urging support of the stop-alien representation amendment; to the Committee on the Judiciary.

SENATE

FRIDAY, FEBRUARY 24, 1933

(Legislative day of Tuesday, February 21, 1933)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Keyes	Schuyler
Austin	Dale	King	Sheppard
Bailey	Davis	La Follette	Shipstead
Bankhead	Dickinson	Lewis	Shortridge
Barbour	Dill	Logan	Smith
Barkley	Fess	Long	Smoot
Bingham	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Stephens
Blaine	George	McNary	Swanson
Borah	Glass	Metcalf	Thomas, Idaho
Bratton	Glenn	Moses	Thomas, Okla.
Brookhart	Goldsborough	Neely	Townsend
Bulkley	Gore	Norbeck	Trammell
Bulow	Grammer	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	Oddie	Wagner
Caraway	Hastings	Patterson	Waicott
Carey	Hatfield	Pittman	Walsh, Mass.
Clark	Hayden	Reed	Watson
Connally	Hebert	Reynolds	Wheeler
Coolidge	Johnson	Robinson, Ark.	White
Copeland	Kean	Robinson, Ind.	
Costigan	Kendrick	Russell	

Mr. SHEPPARD. I desire to announce that the senior Senator from Montana [Mr. WALSH] and the junior Senator from Tennessee [Mr. HULL] are necessarily out of the city.

Mr. NORRIS. I wish to announce that my colleague [Mr. HOWELL] is detained from the Senate by reason of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment bills of the Senate of the following titles:

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands;

S. 2259. An act for the relief of Mathie Belvig;

S. 4286. An act to authorize credit in the disbursing account of Donna M. Davis; and

S. 4287. An act for the relief of Harold W. Merrin.